VADILAL INDUSTRIES LTD.

8th Floor, Time Square, Opp. Iscon Arcade,Nr. Pariseema Complex,
C.G. Road, Navrangpura, Ahmedabad - 380009
Tel.:(079) 2640 7201 to 26407210 Fax:(079) 2640 7201

VISIT US ON : http//www.vadilalgroup.com

Date: 4th October, 2017

To,

The National Stock Exchange of India Ltd.

Exchange Plaza,

Plot no. C/1, G Block,

Bandra-Kurla Complex

Bandra (E), Mumbai - 400 051.

Scrip Code No. VADILALIND-EQ

To

Department of Corporate Services,

BSE Limited,

Phiroze Jeejeebhoy Towers

Dalal Street, Fort,

Mumbai - 400 001.

Scrip Code : 519156

Dear Sir,

Please find herewith annual report of the Company for the period of 2016-2017 pursuant to regulation 34 of SEBI (Listing obligation and disclosure requirement), 2015

Please take the same on record.

Thanking you,

Yours faithfully,

For **VADILAL INDUSTRIES LIMITED**

Ruchita Gurjar

Company Secretary & Compliance Officer

E-mail: shareslogs@vadilalgroup.com

Annual Report 2016-17

Vadilal

VADILAL INDUSTRIES LTD.

Vadilal Quick Treat

Delightfully flavorful. Blissfully Rich!

Made from pure Milk

Contents

BOARD OF DIRECTORS :

Executive Directors

Rajesh R. Gandhi	Chairman & Managing Director
Devanshu L. Gandhi	Managing Director

Non-Executive & Non-Independent Directors

Deval D. Gandhi
Kalpit R. Gandhi (CFO)

Independent Directors

Kshitish M. Shah (upto 26-09-2016)
Rohit J. Patel (upto 26-09-2016)
Vijay R. Shah (w.e.f. 11-11-2016)
Jignesh J. Shah (w.e.f. 11-11-2016)
Malay R. Mahadevia
Chetan M. Tamboli

COMPANY SECRETARY : Ruchita Gurjar

AUDITORS : M/s. Kantilal Patel & Co.
Chartered Accountants,
Ahmedabad
(A member Firm of Polaris International, USA)

BANKERS : Bank of Baroda
State Bank of India
State Bank of Travancore
Export-Import Bank of India (Exim Bank)
IDBI Bank Ltd.

REGISTERED OFFICE : Vadilal House, Shrimali Society,
Nr. Navrangpura Rly. Crossing,
Navrangpura, Ahmedabad - 380 009.
CIN: L91110GJ1982PLC005169
Phone : 079 - 26564019 to 24, 30153347
Fax : 079 – 26564027
Web : www.vadilalgroup.com

SHARE DEPARTMENT : 10th Floor, Colonnade Building,
Opp. Iscon Temple BRTS Bus Stand,
Ambli-Bopal Road, Ahmedabad-380015
Phone : 079-30921200

REGISTRAR & SHARE TRANSFER AGENT :
(For Physical & Demat)
MCS Share Transfer Agent Ltd.,
101, Shatdal Complex,
1st Floor, Opp. Bata Show Room,
Ashram Road, Ahmedabad – 380 009.
Phone : 079 – 26582878 / 26584027 / 9327055153
Fax : 079 – 26581296

FACTORIES :

Ice-cream Division :

1. Village Pundhra, Tal. Mansa,
   Dist. Gandhinagar (Gujarat)
2. Parsakhera Industrial Area,
   Bareilly (Uttar Pradesh)

Processed Foods Division
Dharampur, Dist. Valsad (Gujarat)

Forex Division
(Money Changing Business)
Vadilal House, Navrangpura, Ahmedabad.
Ph.: 079-26564025, 26421193

33rd ANNUAL GENERAL MEETING

Day - Friday

Date - 29th September, 2017

Time - 4.00 p.m.

Venue - GICEA, Gajjar Hall, Nirman Bhavan,
Opp. Law Garden, Ellisbridge,
Ahmedabad - 380 006

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E-Voting Instructions
(Separate Sheet enclosed)

Email for Investor Grievances :
shareslogs@vadilalgroup.com

The Flavours of Togetherness

NOTICE

NOTICE is hereby given that the 33rd **ANNUAL GENERAL MEETING** of the members of **VADILAL INDUSTRIES LIMITED** will be held on Friday, the 29th day of September, 2017 at 4.00 p.m. at GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad - 380006, to transact the following business :

ORDINARY BUSINESS :

1) To consider and adopt:

   (a) The audited financial statement of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and Auditors thereon; and

   (b) The audited consolidated financial statement of the Company for the financial year ended March 31, 2017.

2) To declare dividend on Equity Shares for the financial year ended on March 31, 2017.

3) To appoint a Director in place of Mr. Devanshu L. Gandhi (DIN: 00010146) who retires by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment. If re-appointed, the same shall not be termed as discontinuation of his office as Managing Director of the Company.

4) To appoint a director in place of Mr. Kalpit R. Gandhi (DIN: 02843308) who retires by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

5) To appoint Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration No.: 117366W/W-100018), be and is hereby appointed as the Statutory Auditors of the Company, in place of M/s. Kantilal Patel & Co., Chartered Accountants (ICAI Registration No. 112066W), the retiring Statutory Auditors, to hold office for a term of five years from the conclusion of this Annual General Meeting till the conclusion of 38th Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting till the 38th Annual General Meeting, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

SPECIAL BUSINESS :

6) To appoint Mr. Vijay R. Shah (DIN : 00376570) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, Mr. Vijay R. Shah (DIN : 00376570), who was appointed as an Additional Director of the Company pursuant to Section 161(1) of the Companies Act, 2013 and Rules made thereunder and Articles of Association, by the Board of Directors of the Company on 11th November, 2016 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, in writing from a Member, proposing the candidature of Mr. Vijay R. Shah for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years upto the conclusion of the 38th Annual General Meeting of the Company in the calendar year 2022."

7) To appoint Mr. Jignesh J. Shah (DIN: 01202435) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, Mr. Jignesh J. Shah (DIN: 01202435), who was appointed as an Additional Director of the Company pursuant to Section 161(1) of the Companies Act, 2013 and Rules made thereunder and Articles of Association, by the Board of Directors of the Company on 11th November, 2016 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, in writing from a Member, proposing the candidature of Mr. Jignesh J. Shah for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years upto the conclusion of the 38th Annual General Meeting of the Company in the calendar year 2022."

8) To approve the remuneration to be paid to Mr. Rajesh R. Gandhi, Chairman and Managing Director for remaining period of 2 years of his term w.e.f. 1st April, 2017 and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any and Schedule – V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and also subject to such other approvals as may be necessary and in furtherance to and in partial modification to the Special Resolution No. 8, passed by the Members of the Company at the 30th Annual General Meeting of the Company held on 25th September, 2014, in respect of re-appointment of Mr. Rajesh R. Gandhi, as a Managing Director of the Company, for a further period of 5 years w.e.f. 1st April, 2014 upto 31st March, 2019 with payment of remuneration and as recommended by the Nomination and Remuneration Committee, Mr. Rajesh R. Gandhi shall be entitled to be paid remuneration, perquisites, allowances and commission as mentioned in the Explanatory Statement attached hereto, **for**

remaining period of 2 years w.e.f. 1st April, 2017 upto 31st March, 2019 and more particularly set out in the draft Supplemental Agreement to be entered into between the Company and Mr. Rajesh R. Gandhi, a copy whereof submitted to this meeting and for identification signed by the Chairman thereof, which Agreement is hereby specifically approved with authority to the Board of Directors (which term shall be deemed to include any committee thereof for the time being and from time to time, to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated) to alter and/or vary the terms and conditions of the said remuneration including commission and perquisites payable from time to time as they deem fit and/or draft Supplemental Agreement, in such manner, as may be agreed upon by the Board of Directors and Mr. Rajesh R. Gandhi, within the limits prescribed under Schedule – V to the Act or any statutory amendment(s) and/or modification(s) thereto and if necessary, as may be agreed to between the Board of Directors and as may be acceptable to Mr. Rajesh R. Gandhi.

RESOLVED FURTHER THAT notwithstanding to the above, in the event of any loss or inadequate profits in any financial year during the said period of 2 years w.e.f. 1st April, 2017 and upto 31st March, 2019, the remuneration payable to Mr. Rajesh R. Gandhi shall be as mentioned in the Explanatory Statement attached hereto and more particularly set out in the draft Supplemental Agreement and not exceeding the limits prescribed in Schedule V to the Act as amended from time to time subject to the compliance of provisions thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to apply on behalf of the Company to the Central Government, if required, for taking its approval for payment of remuneration to Mr. Rajesh R. Gandhi as mentioned above and also authorised to do all such acts, deeds, things and matters as may be necessary and to execute necessary documents/ agreements/applications/ letters on behalf of the Company."

9) To approve the remuneration to be paid to Mr. Devanshu L. Gandhi, Managing Director for remaining period of 2 years of his term w.e.f. 1st April, 2017 and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any and Schedule – V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and also subject to such other approvals as may be necessary and in furtherance to and in partial modification to the Special Resolution No. 9, passed by the Members of the Company at the 30th Annual General Meeting of the Company held on 25th September, 2014, in respect of re-appointment of Mr. Devanshu L. Gandhi, as a Managing Director of the Company, for a further period of 5 years w.e.f. 1st April, 2014 upto 31st March, 2019 with payment of remuneration and as recommended by the Nomination and Remuneration Committee, Mr. Devanshu L. Gandhi shall be entitled to be paid remuneration, perquisites, allowances and commission as mentioned in the Explanatory Statement attached hereto, **for remaining period of 2 years w.e.f. 1st April, 2017 upto 31st March, 2019** and more particularly set out in the draft Supplemental Agreement to be entered into between the Company and Mr. Devanshu L. Gandhi, a copy whereof submitted to this meeting and for identification signed by the Chairman thereof, which Agreement is hereby specifically approved with authority to the Board of Directors (which term shall be deemed to include any committee thereof for the time being and from time to time, to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated) to alter and/or vary the terms and conditions of the said remuneration including commission and perquisites payable from time to time as they deem fit and/or draft Supplemental Agreement, in such manner, as may be agreed upon by the Board of Directors and Mr. Devanshu L. Gandhi, within the limits prescribed under Schedule – V to the Act or any statutory amendment(s) and/or modification(s) thereto and if necessary, as may be agreed to between the Board of Directors and as may be acceptable to Mr. Devanshu L. Gandhi.

RESOLVED FURTHER THAT notwithstanding to the above, in the event of any loss or inadequate profits in any financial year during the said period of 2 years w.e.f. 1st April, 2017 and upto 31st March, 2019, the remuneration payable to Mr. Devanshu L. Gandhi shall be as mentioned in the Explanatory Statement attached hereto and more particularly set out in the draft Supplemental Agreement and not exceeding the limits prescribed in Schedule V to the Act as amended from time to time subject to the compliance of provisions thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to apply on behalf of the Company to the Central Government, if required, for taking its approval for payment of remuneration to Mr. Devanshu L. Gandhi as mentioned above and also authorised to do all such acts, deeds, things and matters as may be necessary and to execute necessary documents/ agreements/applications/ letters on behalf of the Company."

For VADILAL INDUSTRIES LIMITED

RAJESH R. GANDHI
Chairman & Managing Director
DIN : 00009879

Registered Office :
Vadilal House, Shrimali Society,
Nr. Navrangpura Rly. Crossing,
Navrangpura, Ahmedabad - 380 009.
CIN : L91110GJ1982PLC005169
Email : shareslogs@vadilalgroup.com
Website : www.vadilalgroup.com
Phone : 079 30153189

Dated : 26th August, 2017.

NOTES :

1) **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office/ Share Department of the Company not less than forty-eight hours before the commencement of the Meeting.**

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

3) A Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts relating to the Special Business to be transacted at the Meeting is annexed hereto.

4) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

5) (a) The Company has notified closure of Register of Members and Share Transfer Books from 16th September, 2017 to 29th September, 2017 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.

   (b) Dividend of Re. 1.25/- per share (@12.50%) on Equity Shares for the year ended on 31st March, 2017 as recommended by the Board, if declared at the meeting, will be paid without deduction of tax at source :

   # to those members, whose names appear on the Register of Members after giving effect to all valid share transfers in physical form lodged with the Company/Share Transfer Agent on or before 15th September, 2017, or

   # in respect of shares held in electronic form, to those "Beneficial Owners" whose names appear in the Statement of Beneficial Ownership furnished by NSDL and CDSL as at the end of business hours on 15th September, 2017.

6) Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agent, cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.

7) **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**

8) The amount of dividend for the financial year ended on 31st March, 2010, 31st March, 2011, 31st March, 2012, 31st March, 2013, 31st March, 2014, 31st March, 2015 and 31st March, 2016 remaining unpaid or unclaimed for a period of 7 years is due for transfer to the Investor Education and Protection Fund on 4th November, 2017, 1st November, 2018, 3rd November, 2019, 26th October, 2020, 29th October, 2021, 1st November, 2022 and 1st November, 2023, respectively.

   Members, who have so far not encashed their dividend warrants for the said financial years, are requested to approach the Company for revalidation or duplicate dividend warrants. Thereafter, no claims shall lie against the said Fund or the Company for the amount of dividend so transferred nor shall any payment be made in respect of such claims.

9) Members, who hold shares in dematerialised form, are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

10) Members are requested to intimate immediately the change in their registered address, if any, to their Depository Participants (DPs) in respect of their electronic share accounts and to the Company or Share Transfer Agent, in respect of their physical share folios, if any. In case of mailing address mentioned on this Annual Report is without PINCODE, members are requested to kindly inform their PINCODE immediately.

11) Relevant documents referred to in the accompanying Notice and the explanatory statement are open for inspection for the members at the Share Department of the Company on all working days, except Saturdays, during normal business hours, upto the date of this Annual General Meeting.

12) Members are requested to bring their copy of Annual Report to the meeting, as the copies of Annual Report will not be distributed at the meeting.

13) Members seeking any further information about the Accounts and/or Operations of the Company are requested to send their queries to the Company at its **Share Department**, at least 10 days before the date of the meeting.

14) In accordance with Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Kantilal Patel & Co., Chartered Accountants, Statutory Auditors of the Company shall retire at the conclusion of the Annual General Meeting of the Company. Pursuant to the provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Board of Directors has, on recommendation of the Audit Committee, recommended for the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration No.: 117366W/W-100018) as the Statutory Auditors at the Annual General Meeting for a period of five years i.e. to hold office from the conclusion of this Annual General Meeting till the conclusion of the 38th Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every AGM, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

   Consent and certificate u/s 139 of the Companies Act, 2013 have been obtained from M/s. Deloitte Haskins & Sells, Chartered Accountants, to the effect that their appointment, if made, shall be in accordance with the applicable provisions of the Act and the Rules issued thereunder.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration No.: 117366W/W-100018), has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

15) At this Annual General Meeting, Mr. Devanshu L. Gandhi, Managing Director of the Company and Mr. Kalpit R. Gandhi, Director of the Company, shall retire by rotation and being eligible, offer themselves for re-appointment.

At this Annual General Meeting, Mr. Vijay R. Shah and Mr. Jignesh J. Shah are required to be appointed as Independent Directors of the Company, not liable to retire by rotation.

As required under Regulation 36 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and as per requirement of Secretarial Standard-2, given below are the details of the above Directors to be re-appointed/appointed as Directors/Managing Directors of the Company :-

Mr. Devanshu L. Gandhi

Mr. Devanshu L. Gandhi has been associated with the Company since its inception having experience on hands for Ice-cream and Processed Food business. He looks after day-to-day affairs of the Company pertaining to the hereby-mentioned areas: Domestic Sales and Marketing of Ice-cream Division, Government Subsidies of Ice-cream plants and Revenue Expenses of Refrigeration Service Division. Mr. Devanshu L. Gandhi looks after Production, Purchase, Works, QC, R & D of Processed Food Division. He looks after purchase of Land & Materials, Project Commissioning & Legal for Construction Division. Entire Forex Division (FFMC & Consultancy Services) and Human Resource & P & A (respective) is taken care by him. He is on the Board of following other Companies.

Mr. Devanshu L. Gandhi is a Member of the Audit Committee and the Stakeholders' Relationship Committee of the Company. He is also a Member of the following committees of other Companies. Mr. Devanshu L. Gandhi holds 3,40,450 shares in Vadilal Industries Limited in his individual capacity.

Directorship :	**Member of the Board Committees:**
➢ Vadilal Enterprises Limited	
➢ Vadilal International Private Limited	**Audit Committee :**
➢ Vadilal Chemicals Limited	➢ Vadilal Enterprises Limited
➢ Vadilal Gases Limited	➢ Vadilal Chemicals Limited
➢ Vale Properties Private Limited	
➢ Byad Packaging Industries Private Limited	**Stakeholders' Relationship Committee:**
➢ Esveegee Wires and Metals Private Limited	➢ Vadilal Enterprises Limited
➢ Numen Technologies Private Limited	➢ Vadilal Chemicals Limited

Mr. Kalpit R. Gandhi

Mr. Kalpit Gandhi's highest degree is Master in Business Administration from IESE Business School Barcelona (Spain), which is one of the top universities globally ranked as 5th as per Economist and 7th as per Financial Times and have numerous accolades in field of executive education. He is a graduate from University of Southern California with BSC in Administration & Accounting and carrying wide experience in Finance and Marketing functions with international exposure at the age of 32 years. He had served reputed organization like Godrej Consumer Products Limited, Financial Technologies (India) ltd in various capacities and had also exposure in international company named Akin Bay in USA which strengthen his business acumens. He is also functioning as a Chief Financial Officer of the Company.

Mr. Kalpit R. Gandhi is looking after functioning of Accounts, Finance, Secretarial, Taxation, H.R., M.I.S. and Costing and Systems Departments of the Company. The details of remuneration drawn by him and no. of Board Meetings atteded are mentioned in Directors Report.

Mr. Kalpit R. Gandhi is a Member of Audit Committee of the Company. He is not a Member of any Committee of other Companies. Mr. Kalpit R. Gandhi does not hold any shares in Vadilal Industries Limited in his individual capacity. Mr. Kalpit R. Gandhi is Director in the following other companies :

Directorship:
➢ Vadilal Chemicals Limited
➢ Vadilal International Private Limited
➢ Vadilal Marketing Private Limited

Relationship between the Directors :-

- ➢ Mr. Kalpit R. Gandhi is the son of Mr. Rajesh R. Gandhi.
- ➢ Mrs. Devalben D. Gandhi is the spouse of Mr. Devanshu L. Gandhi.

None of the other directors are related to any other director on the Board.

Mr. Jignesh J Shah:

Mr. Jignesh J Shah (holding DIN 01202435) is B.Com Graduate, CMA (Cost and Management Accountant) and FCA (Chartered Accountant). He is having 27 years of experience in training people for Communication – Time Management at the age of 49 years. He is acting as a Independent Director of the company. He is not receiving any remuneration apart from sitting fees. He has attended 2 Board Meetings during the year 2016-2017

He is a Partner in J T Shah & Co., Chartered Accountants since 1992. He is a Member of the Audit Committee of the Company and also a member of Nomination and Remuneration Committee of the Company. Mr. Jignesh J. Shah does not hold any shares in the Company. He is also a director of other companies such as Vadilal Chemicals Limited, Vadilal Enterprises Limited, Vadilal International Private Limited and Sakar Management Consultants Private Limited. He is chairman of Audit Committee of Vadilal Chemicals Limited.

Mr. Vijay R. Shah:

Mr. Vijay R. Shah is Practicing Chartered Accountant, he has started his career as a trainee accountant with C.H. Chalishazar & Co. a leading Chartered Accountants firm in Ahmedabad in 70's and continued with the firm post qualification. His post qualification experience of 35 years is predominantly in the area of finance at the age of 65 years. Currently, as a proprietor of M/s. Vijay R. Shah & Co, he is looking after finacial and statutory / internal audit of Ltd. / Pvt. Ltd. Companies.

He is acting as a Independent Director of the company. He is not receiving any remuneration apart from sitting fees. He has attended 2 Board Meetings during the year 2016-2017

Mr. Vijay R. Shah is a Member of the Audit Committee of the Company and also a member of Stakeholder Relationship Committee of the Company. Mr. Vijay R. Shah does not hold any shares in the Company. At present, he is a director in following other companies:

1. Nirma ltd. As an independent director
2. Adishwar motors pvt ltd. As director

16) Voting through electronic means:

The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44(1) of SEBI (Listing Obligation and Disclosure Requirement), 2015 (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote through e-voting services provided by Central Depository Services (India) Limited (CDSL) and the Company may pass any resolution by electronic voting system in accordance with the above provisions.

The process and manner of remote e-voting is being sent to all the members whose e-mail Ids are registered with the Company/Depository Participant /Share Transfer Agent for communication purpose through electronic mode. For Members who have not registered their e-mail ids as above, the process and manner of e-voting is enclosed alongwith this notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act") :

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 6 & 7

On the basis of the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Vijay R. Shah and Mr. Jignesh J. Shah as Additional Directors of the Company with effect from 11th November, 2016.

In terms of the provisions of Section 161(1) of the Act, Mr. Vijay R. Shah and Mr. Jignesh J. Shah would hold office up to the date of the ensuing Annual General Meeting.

It is proposed to appoint Mr. Vijay R. Shah and Mr. Jignesh J. Shah as Independent Directors under Section 149 of the Act and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 to hold office for a term of 5(Five) consecutive years upto the conclusion of the 38th Annual General Meeting of the Company in the calendar year 2022.

The Company has received notice in writing from members, alongwith the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Mr. Vijay R. Shah and Mr. Jignesh J. Shah for the office of Independent Directors of the Company.

In the opinion of the Board, Mr. Vijay R. Shah and Mr. Jignesh J. Shah fulfill the conditions for appointment as Independent Directors as specified in the Act and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. Mr. Vijay R. Shah and Mr. Jignesh J. Shah are independent of the management.

Mr. Vijay R. Shah and Mr. Jignesh J. Shah are not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given their consent to act as a Director. They do not hold any equity shares in the Company in their individual capacity.

The Company has also received declarations from Mr. Vijay R. Shah and Mr. Jignesh J. Shah that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

Brief resume of Mr. Vijay R. Shah and Mr. Jignesh J. Shah, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Regulation 36 (3) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, are provided in the notes to the notice of this meeting accompanying with this statement forming part of the Annual Report.

Copy of the draft letters for respective appointments of Mr. Vijay R. Shah and Mr. Jignesh J. Shah as Independent Directors setting out the terms and conditions are available for inspection by members at the Share Department of the Company.

This Statement may also be regarded as a disclosure under Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

Mr. Vijay R. Shah and Mr. Jignesh J. Shah are interested in the resolutions set out respectively at Item Nos. 6 and 7 of the Notice with regard to their respective appointments.

The relatives of Mr. Vijay R. Shah and Mr. Jignesh J. Shah may be deemed to be interested in the resolution set out at Item No. 6 and 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

The Board recommends the Ordinary Resolution set out at Item No. 6 and 7 of the Notice for approval by the shareholders.

Item No. 8

At the 30th Annual General Meeting of the Company held on 25th September, 2014 and vide a Special Resolution passed by the Shareholders, Mr. Rajesh R. Gandhi has been re-appointed as Managing Director of the Company for a further period of 5 years w.e.f. 1st April, 2014 upto 31st March, 2019, at a total monthly remuneration of Rs. 450000/- plus 2% Commission on net profit in case of Company having adequate profit during the said period of 5 years with increase in basic salary in subsequent years w.e.f. 1st April, 2014, so as not to exceed the total remuneration of Rs. 550000/- per month upto 31st March, 2017.

In terms of provisions of Schedule – V of the Companies Act, 2013 and Rules made thereunder, the above Special Resolution is required to be modified in respect of payment of remuneration to Mr. Rajesh R. Gandhi, as under, for remaining period of 2 years w.e.f. 1st April, 2017 upto 31st March, 2019 by obtaining approval of Members of the Company by way of a Special Resolution and duly approved by the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 9th February, 2017, subject to the approval of Central Government, if applicable :-

1) Remuneration :

I) Salary, Perquisites and Allowances (Amount in Rs. per month) :

Particulars	**1-4-2017 to 31-3-2018**	**1-4-2018 to 31-3-2019**
Basic	375000	410000
HRA (in lieu of accommodation - furnished or otherwise)	178000	189000
Re-imbursement of Medical Expenses (for Managing Director and his family)	2000	1800
Provident Fund @12% on Basic Salary	45000	49200
Total	**600000**	**650000**

Notes:

1) Mr. Rajesh R. Gandhi is entitled other privileges, facilities and amenities as per the rules of the Company.
2) For the purpose of perquisites and allowances, family means the spouse, dependent children and dependent parents of the Managing Director.

Other Perquisites and Allowances

A) Provident Fund : The Company's contribution to Provident Fund as per Rules of the Company.

B) Gratuity : Payment of Gratuity in accordance with the rules and regulations in force in the Company from time to time, but shall not exceed half a month's salary for each completed year of service.

C) Superannuation Fund : Superannuation Fund or Annuity Fund benefit in accordance with such Scheme of the Company.

Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity will not be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income-Tax Act, 1961.

D) Encashment of leave as per Rules of the Company and will not be included in the ceiling on perquisites.

II) Commission :

In addition to the Salary, Perquisites and other Allowances as mentioned above and in case of Company having adequate profit in any financial year during the period of 2 years from 1st April, 2017 to 31st March, 2019, Mr. Rajesh R. Gandhi shall also be entitled for such financial year to a Commission at the rate of 2.00% on the net profits of the Company computed in the manner laid down under Section 198 of the Companies Act, 2013, subject to the provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder.

5. Minimum Remuneration: In the event of any loss, absence or inadequacy of profits of the Company in any financial year during the term of office of Mr. Rajesh R. Gandhi, the remuneration as above shall be paid to him as minimum remuneration subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013.
6. The Company shall also re-imburse to the Managing Director, entertainment, traveling and all other expenses incurred by him for the business of the Company and on behalf of the Company.
7. The terms and conditions of payment of remuneration, perquisites, allowances and commission specified herein above may be enhanced, enlarged, widened, altered or varied from to time by the Nomination and Remuneration Committee and Board of Directors as they may in their discretion, deem fit, within the maximum amount payable to Managing Director in accordance with Schedule V to the Act and in conformity with any amendments to the relevant provisions of the Companies Act and/or the rules and regulations made thereunder from time to time in future and/or such guidelines as may be announced by the Central Government from time to time.
8. The Managing Director, so long as he functions as such, shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.
9. For all other terms and conditions not specifically spelt out above, the Rules and Orders of the Company shall apply.
10. A Statement as per requirement of Schedule V is given to the Shareholders containing following information of the Company and Mr. Rajesh R. Gandhi :-

I. GENERAL INFORMATION :

(1) Nature of industry

The Company is engaged in the business of manufacturing Ice-cream, Frozen Dessert, Juicy and Candy and processing and exporting Processed Food products, such as Frozen Fruits and Vegetables, Canned Fruit Pulp, Ready-to-eat and Ready-to-serve products, etc.

Ice-cream Division of the Company has 2 manufacturing plant situated at 1) Village Pundhra, Taluka Mansa, Dist. Gandhinagar, Gujarat and 2) Bareilly, Uttar Pradesh.

The Company is processing Frozen Fruits, Vegetables and Processed Foods by latest freezing technology, namely, "Individually Quick Freezing" (IQF) at its factory situated at Dharampur, Dist. Valsad, Gujarat. The Processed Food Division commenced its operation in 1991. The Company is exporting nearly 60 products in USA, Canada, UK, Kuwait, UAE, Singapore, New Zealand, Australia. The Company is also selling Processed Food products in Domestic Market.

The Company is also having Forex Division dealing in Foreign Exchange Management and Money Changing business.

(2) Date of commencement of commercial production

The Company is in the business of Ice-cream since 1982. The Process Food division commenced its operation in 1991.

(3) In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus

The Company is in existence since 1982.

(4) Financial performance based on given indicators

Following is the financial performance of the Company since last 3 years :

(Rs. in Lacs)

Financial Year	Revenue from Operations (Net)	Gross Profit before Depreciation and Financial Expenses	Net Profit after Tax
2014-2015	40343.13	4400.33	192.90
2015-2016	44447.64	5894.08	1435.45
2016-2017	46894.66	5632.93	1632.96

(5) Export performance and net foreign exchange earnings

Following is the export performance of the Company since last 3 Years:- (Rs. in Lacs)

Financial Years	Export Sales (FOB Value)
2014-2015	4453.24
2015-2016	3620.79
2016-2017	4170.33

(6) Foreign investments or collaborators, if any.

The Company has an investment in share capital of its wholly-owned subsidiary company, namely, Vadilal Industries (USA) Inc.

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details:

Name : Mr. Rajesh R. Gandhi
Designation : Chairman & Managing Director
Age : 58 Years
Experience : 36 Years

Mr. Rajesh R. Gandhi is a Director of the Company since Incorporation of the Company and Managing Director of the Company since 1986. He has an experience of over 36 years in Ice-cream business and experience of over 26 years in Processed Food business.

(2) Past Remuneration:

The details of managerial remuneration paid to Mr. Rajesh R. Gandhi, Managing Director of the Company during the financial year ended on 31st March, 2017, are as under:

Particulars		Amount (Rs. in lakhs per annum)
Salary	:	39.60
Perquisites/ Allowances	:	21.27
Contribution to PF	:	58.23
Commission	:	4.75
Total	:	**123.85**

(3) Recognition or awards:

Vadilal has won 27 awards over 4 consecutive years: 2008 to 2011 at 'The Great Indian Ice Cream Contest' organized by the Indian Dairy Association. The various categories for awards were: The Best in Class (3): Chocolate Frozen Dessert, Standard Chocolate Ice Cream, Rose Coconut Shell (Innovation – Novelty) Gold Medal (4): Standard Chocolate Ice Cream, Chocolate Frozen Dessert, Vanilla Frozen Dessert and Rose Coconut Shell (Innovation – Novelty), Bronze Medal (1) Natural Orange (Premium without Inclusion). Best in Class in Kids category – Joker Ice Trooper, Gold in Kids category – Joker Face Ice Trooper, Silver in Vanilla Frozen Dessert. Bronze in Vanilla Ice Cream – Happinezz Vanilla Ice cream. Bronze in Premium – Pista Happinezz Ice Cream garnished with Green Pista.

Vadilal Ice Creams has been voted as the "Most Trusted Ice Cream Brand in India" as per the The Brand Trust Report - 2013. The Economic Times Survey ranked us among the "Top 20 Food and Beverages" brands in India.

(4) Job profile and his suitability

Mr. Rajesh R. Gandhi has been associated with the Company since its inception having experience on hands for Ice-cream & Processed Food business. He looks after day-to-day affairs of the Company pertaining to the hereby-mentioned areas : Production, QA/QC, R&D, Logistics (Ice-cream Transportation), Cups & Cones, Purchase (Capital Goods & Deep Freeze Machines) of Ice-cream Division is taken care by him. He also looks after Sales & Marketing of Ice-cream Exports and Happinezz Parlors owned and/or managed by Group. For Processed Food Division, Mr. Rajesh R. Gandhi looks after Exports and Domestic Sales, International Freight, Government Subsidies of entire division. For Construction, he takes care of Sales & Marketing & Legal. The total portfolio of Finance, Accounts, MIS, Taxation, Internal Audit, EDP, Secretarial, Legal, Insurance, Systems, all Taxes & DGFT and Human Resource of all above-mentioned departments and P&A of Head Office is taken care by him.

(5) Remuneration proposed

It is proposed to pay the remuneration to Mr. Rajesh R. Gandhi as above for a period of 2 years from 1-4-2017 to 31-03-2019 for which he is proposed to be re-appointed as Managing Director of the Company.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

The proposed remuneration to be paid to Mr. Rajesh R. Gandhi is adequate and at par with the industry scale, size and profitability of the Company.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Apart from Mr. Rajesh R. Gandhi is a Managing Director of the Company designated as "Chairman & Managing Director" and receiving managerial remuneration, he holds 2,27,721 Equity Shares of Rs. 10/- each of Vadilal Industries Limited in his individual capacity.

III. **OTHER INFORMATION :**

(1) Reasons of loss or inadequate profits

N.A. The Profit is adequate.

(2) Steps taken or proposed to be taken for improvement

N.A.

(3) Expected increase in productivity and profits in measurable terms

N.A.

IV. **DISCLOSURES:**

A) All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions, etc., of all the directors;

Apart from remuneration payable to Mr. Rajesh R. Gandhi and Mr. Devanshu L. Gandhi, Managing Directors of the company, the Company does not pay any remuneration including bonus, stock options, pension, etc. to the other directors of the Company. The Company only pays sitting fees to the Non-executive Directors of the Company for attending the meeting of Board of Directors and Committees thereof.

B) Details of fixed component and performance linked incentives along with the performance criteria;

As mentioned in Para 3 above.

C) Service contracts, notice period, severance fees;

The Service Contracts, notice period, severance fees and other terms and conditions shall be as mentioned in aforesaid resolution and explanatory statement, the Agreement to be entered into with Mr. Rajesh R. Gandhi and as per the policy of the Company.

D) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable

The Company has not issued any stock options to any Directors of the Company.

The Board therefore recommends approval of for proposed remuneration to be paid to Mr. Rajesh R. Gandhi, Chairman and Managing Director of the Company, as mentioned above.

Your directors commend passing of the resolution proposed at Item No. 8.

This explanation together with the accompanying notice is and should be treated as an abstract of the terms of re-appointment and payment of remuneration as mentioned in the draft Agreement proposed to be entered into between the Company and Mr. Rajesh R. Gandhi as per the Companies Act, 2013.

The draft Agreement to be entered into between the Company and Mr. Rajesh R. Gandhi and referred to in the Resolution contained in Item No. 8 of the Notice is available for inspection at the Share Department of the Company on all working days except Saturdays during business hours, upto the date of Annual General Meeting.

Mr. Rajesh R. Gandhi is interested in the resolution. Mr. Kalpit R. Gandhi, Director and CFO is also interested in the resolution being relative of Mr. Rajesh R. Gandhi. Save and except the above, none of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

Item No. 9

At the 30th Annual General Meeting of the Company held on 25th September, 2014 and vide a Special Resolution passed by the Shareholders, Mr. Devanshu L. Gandhi has been re-appointed as Managing Director of the Company for a further period of 5 years w.e.f. 1st April, 2014 upto 31st March, 2019, at a total monthly remuneration of Rs. 450000/- plus 2% Commission on net profit in case of Company having adequate profit during the said period of 5 years with increase in basic salary in subsequent years w.e.f.

1st April, 2014, so as not to exceed the total remuneration of Rs. 550000/- per month upto 31st March, 2017.

In terms of provisions of Schedule – V of the Companies Act, 2013 and Rules made thereunder, the above Special Resolution is required to be modified in respect of payment of remuneration to Mr. Devanshu L. Gandhi, as under, for remaining period of 2 years w.e.f. 1st April, 2017 upto 31st March, 2019 by obtaining approval of Members of the Company by way of a Special Resolution and duly approved by the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 9th February, 2017, subject to the approval of Central Government, if applicable :-

1) Remuneration :

I) Salary, Perquisites and Allowances (Amount in Rs. per month) :

Particulars	**1-4-2017 to 31-3-2018**	**1-4-2018 to 31-3-2019**
Basic	375000	410000
HRA (in lieu of accommodation - furnished or otherwise)	178000	189000
Re-imbursement of Medical Expenses (for Managing Director and his family)	2000	1800
Provident Fund @12% on Basic Salary	45000	49200
Total	**600000**	**650000**

Notes:

1) Mr. Devanshu L. Gandhi is entitled other privileges, facilities and amenities as per the rules of the Company.

2) For the purpose of perquisites and allowances, family means the spouse, dependent children and dependent parents of the Managing Director.

Other Perquisites and Allowances

A) Provident Fund : The Company's contribution to Provident Fund as per Rules of the Company.

B) Gratuity : Payment of Gratuity in accordance with the rules and regulations in force in the Company from time to time, but shall not exceed half a month's salary for each completed year of service.

C) Superannuation Fund : Superannuation Fund or Annuity Fund benefit in accordance with such Scheme of the Company.

Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity will not be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income-Tax Act, 1961.

D) Encashment of leave as per Rules of the Company and will not be included in the ceiling on perquisites.

II) Commission :

In addition to the Salary, Perquisites and other Allowances as mentioned above and in case of Company having adequate profit in any financial year during the period of 2 years from 1st April, 2017 to 31st March, 2019, Mr. Devanshu L. Gandhi shall also be entitled for such financial year to a Commission at the rate of 2.00% on the net profits of the Company computed in the manner laid down under Section 198 of the Companies Act, 2013, subject to the provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder.

5. Minimum Remuneration: In the event of any loss, absence or inadequacy of profits of the Company in any financial year during the term of office of Mr. Devanshu L. Gandhi, the remuneration as above shall be paid to him as minimum remuneration subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013.

6. The Company shall also re-imburse to the Managing Director, entertainment, traveling and all other expenses incurred by him for the business of the Company and on behalf of the Company.

7. The terms and conditions of payment of remuneration, perquisites, allowances and commission specified herein above may be enhanced, enlarged, widened, altered or varied from to time by the Nomination and Remuneration Committee and Board of Directors as they may in their discretion, deem fit, within the maximum amount payable to Managing Director in accordance with Schedule V to the Act and in conformity with any amendments to the relevant provisions of the Companies Act and/or the rules and regulations made thereunder from time to time in future and/or such guidelines as may be announced by the Central Government from time to time.

8. The Managing Director, so long as he functions as such, shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.

9. For all other terms and conditions not specifically spelt out above, the Rules and Orders of the Company shall apply.

10. A Statement as per requirement of Schedule V is given to the Shareholders containing following information of the Company and Mr. Devanshu L. Gandhi :-

I. GENERAL INFORMATION :

(1) Nature of industry

The Company is engaged in the business of manufacturing Ice-cream, Frozen Dessert, Juicy and Candy and processing and exporting Processed Food products, such as Frozen Fruits and Vegetables, Canned Fruit Pulp, Ready-to-eat and Ready-to-serve products, etc.

Ice-cream Division of the Company has 2 manufacturing plant situated at 1) Village Pundhra, Taluka Mansa, Dist. Gandhinagar, Gujarat and 2) Bareilly, Uttar Pradesh.

The Company is processing Frozen Fruits, Vegetables and Processed Foods by latest freezing technology, namely, "Individually Quick Freezing" (IQF) at its factory situated at Dharampur, Dist. Valsad, Gujarat. The

Processed Food Division commenced its operation in 1991. The Company is exporting nearly 60 products in USA, Canada, UK, Kuwait, UAE, Singapore, New Zealand, Australia. The Company is also selling Processed Food products in Domestic Market.

The Company is also having Forex Division dealing in Foreign Exchange Management and Money Changing business.

(2) Date of commencement of commercial production

The Company is in the business of Ice-cream since 1982. The Process Food division commenced its operation in 1991.

(3) In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus

The Company is in existence since 1982.

(4) Financial performance based on given indicators

Following is the financial performance of the Company since last 3 years :

(Rs. in Lacs)

Financial Year	Revenue from Operations (Net)	Gross Profit before Depreciation and Financial Expenses	Net Profit after Tax
2014-2015	40343.13	4400.33	192.90
2015-2016	44447.64	5894.08	1435.45
2016-2017	46894.66	5632.93	1632.96

(5) Export performance and net foreign exchange earnings

Following is the export performance of the Company since last 3 Years:- (Rs. in Lacs)

Financial Years	Export Sales (FOB Value)
2014-2015	4453.24
2015-2016	3620.79
2016-2017	4170.33

(6) Foreign investments or collaborators, if any.

The Company has an investment in share capital of its wholly-owned subsidiary company, namely, Vadilal Industries (USA) Inc.

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details:

Name : Mr. Devanshu L. Gandhi
Designation : Managing Director
Age : 50 Years
Experience : 29 Years

Mr. Devanshu L. Gandhi is a Director and Managing Director of the Company since 1988. He has an experience of over 29 years in Ice-cream and Processed Food business.

(2) Past Remuneration:

The details of managerial remuneration paid to Mr. Devanshu L. Gandhi, Managing Director of the Company during the financial year ended on 31st March, 2017, are as under:

Particulars		Amount (Rs. in lakhs per annum)
Salary	:	39.60
Perquisites/ Allowances	:	21.24
Commission	:	58.23
Contribution to PF	:	4.75
Total	:	**123.82**

(3) Recognition or awards:

Vadilal has won 27 awards over 4 consecutive years: 2008 to 2011 at 'The Great Indian Ice Cream Contest' organized by the Indian Dairy Association. The various categories for awards were: The Best in Class (3): Chocolate Frozen Dessert, Standard Chocolate Ice Cream, Rose Coconut Shell (Innovation – Novelty) Gold Medal (4): Standard Chocolate Ice Cream, Chocolate Frozen Dessert, Vanilla Frozen Dessert and Rose Coconut Shell (Innovation – Novelty), Bronze Medal (1) Natural Orange (Premium without Inclusion). Best in Class in Kids category – Joker Ice Trooper, Gold in Kids category – Joker Face Ice Trooper, Silver in Vanilla Frozen Dessert. Bronze in Vanilla Ice Cream – Happinezz Vanilla Ice cream. Bronze in Premium – Pista Happinezz Ice Cream garnished with Green Pista.

Vadilal Ice Creams has been voted as the "Most Trusted Ice Cream Brand in India" as per the The Brand Trust Report - 2013. The Economic Times Survey ranked us among the "Top 20 Food and Beverages" brands in India.

(4) Job profile and his suitability

Mr. Devanshu L. Gandhi has been associated with the Company since its inception having experience on hands for Ice-cream & Processed Food business. He looks after day-to-day affairs of the Company pertaining to the hereby-mentioned areas : Domestic Sales and Marketing of Ice-cream Division, Government Subsidies of Ice-cream plants and Revenue

Expenses of Refrigeration Service Department. Mr. Devanshu L. Gandhi looks after Production, Purchase, Works, QC, R&D of Processed Food Division. He looks after purchase of Land & Materials, Project Commissioning & Legal for Construction Division. Entire Forex Division (FFMC & Consultancy Services) and Human Resource & P&A (respective) is taken care by him.

(5) Remuneration proposed

It is proposed to pay the remuneration to Mr. Devanshu L. Gandhi as above for a period of 2 years from 1-4-2017 to 31-03-2019 for which he is proposed to be re-appointed as Managing Director of the Company.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

The proposed remuneration to be paid to Mr. Devanshu L. Gandhi is adequate and at par with the industry scale, size and profitability of the Company.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Apart from Mr. Devanshu L. Gandhi is a Managing Director of the Company and receiving managerial remuneration, he holds 3,40,450 Equity Shares of Rs. 10/- each of Vadilal Industries Limited in his individual capacity.

III. OTHER INFORMATION :

(1) Reasons of loss or inadequate profits

N.A. The Profit is adequate.

(2) Steps taken or proposed to be taken for improvement

N.A.

(3) Expected increase in productivity and profits in measurable terms

N.A.

IV. DISCLOSURES:

E) All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions, etc., of all the directors;

Apart from remuneration payable to Mr. Rajesh R. Gandhi and Mr. Devanshu L. Gandhi, Managing Directors of the company, the Company does not pay any remuneration including bonus, stock options, pension, etc. to the other directors of the Company. The Company only pays sitting fees to the Non-executive Directors of the Company for attending the meeting of Board of Directors and Committees thereof.

F) Details of fixed component and performance linked incentives along with the performance criteria;

As mentioned in Para 3 above.

G) Service contracts, notice period, severance fees;

The Service Contracts, notice period, severance fees and other terms and conditions shall be as mentioned in aforesaid resolution and explanatory statement, the Agreement to be entered into with Mr. Devanshu L. Gandhi and as per the policy of the Company.

H) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable

The Company has not issued any stock options to any Directors of the Company.

The Board therefore recommends approval of for proposed remuneration to be paid to Mr. Devanshu L. Gandhi, Managing Director of the Company, as mentioned above.

Your directors commend passing of the resolution proposed at Item No. 9.

This explanation together with the accompanying notice is and should be treated as an abstract of the terms of re-appointment and payment of remuneration as mentioned in the draft Agreement proposed to be entered into between the Company and Mr. Devanshu L. Gandhi as per the Companies Act, 2013.

The draft Agreement to be entered into between the Company and Mr. Devanshu L. Gandhi and referred to in the Resolution contained in Item No. 9 of the Notice is available for inspection at the Share Department of the Company on all working days except Saturdays during business hours, upto the date of Annual General Meeting.

Mr. Devanshu L. Gandhi is interested in the resolution. Mrs. Deval D. Gandhi, Director is also interested in the resolution being relative of Mr. Devanshu L. Gandhi. Save and except the above, none of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 9.

For VADILAL INDUSTRIES LIMITED

RAJESH R. GANDHI
Chairman & Managing Director
DIN : 00009879

Registered Office :
Vadilal House, Shrimali Society,
Nr. Navrangpura Rly. Crossing,
Navrangpura, Ahmedabad - 380 009.
CIN : L91110GJ1982PLC005169
Email : shareslogs@vadilalgroup.com
Website : www.vadilalgroup.com
Phone : 079 30153189
Dated : 26th August, 2017.

Process and Manner for availing remote e-voting facility

The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirement), 2015. Accordingly, a member may exercise his vote through e-voting service provided by Central Depository Services (India) Limited (CDSL) and the Company may pass any resolution by electronic voting system in accordance with the above provision.

1. The Process and manner of remote e-voting is being sent to all members whose e-mail ids are registered with the Company/Depository Participants/Share Transfer Agents for communication purpose through electronic mode.
2. The members who have casted there vote by remote e-voting may also attend meeting but shall not entitled to cast their vote again.
3. The Board of Director has appointed **Mr. Manoj Hurkat** of M/s. Manoj Hurkat & Associates, a Practicing Company Secretary, Ahemdabad as Scrutinizer to scrutinize the poll and remote e-voting process in fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.
4. Voting rights shall be reckoned on the paid up value of shares registered in the name of the members/ beneficial owner (in case of electronic shareholding) as on cutoff date i.e. **22nd September, 2017**
5. Any person, who acquires shares of the Company and becomes member of Company after dispatch of the notice of the AGM and holding shares on cut-off date i.e. **22nd September, 2017** may obtain the User ID and Password in manner mentioned bellow:
   - If e-mail address or mobile number of member is registered against folio number/DP ID/Client ID, then on homepage of www.evotingindia.com., the member may click on "Forgot Password" and enter folio number/DP ID/ Client ID and PAN to generate a password
   - Member may send request at helpdesk.evoting@cdslindia.com
   - Member may call CDSL toll free number 18002005533
   - If person is already registered with CDSL for e-voting then excising user id and password can be used for casting vote.
6. The Scrutinizer, after scrutinizing the votes cast at the meeting (poll) and through remote e-voting, will not later than three days of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to Chairman. The results declared along with consolidated scrutinizer's report shall be placed on the website of the Company www.vadilalgroup.com and on the website of CDSL viz. www.evotingindia.com. The results shall simultaneously be communicated to Stock Exchanges.
7. The instruction for shareholders voting electronically are as under:
   (i) The voting period begins on **26th September, 2017 (9.00 a.m.) and ends on 28th September, 2017 (5.00 p.m.)** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **22nd September, 2017** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
   (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
   (iii) Click on Shareholders.
   (iv) Now Enter your User ID
      a. For CDSL: 16 digits beneficiary ID,
      b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
      c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
   (v) Next enter the Image Verification as displayed and Click on Login.
   (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
   (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on address sticker (Labels) indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

   (viii) After entering these details appropriately, click on "SUBMIT" tab.
   (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used

by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant **Vadilal Industries Limited** on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

DIRECTORS' REPORT

To,
The Members,
VADILAL INDUSTRIES LIMITED
Ahmedabad.

Your Directors have pleasure in presenting herewith the 33rd Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2017.

FINANCIAL HIGHLIGHTS : (Rs. in lakhs)

	Particulars	Year ended on 31-03-2017		Previous year ended on 31-03-2016	
(a)	Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)		5632.93		5894.08
(b)	Finance Cost		1548.34		2144.88
(c)	Depreciation and amortization expenses	1441.02		1344.50	
	Less : Recoupment from Revaluation Reserve / Deferred Government Grant	3.67	1437.35	3.67	1340.83
(d)	Profit before Exceptional and Extraordinary Items and Tax		2647.24		2408.37
(e)	Exceptional ItemsLong term loans & advances written off (P.Y. Provision for diminution in the value of Long Term Investments)		0.00		0.00
(f)	Profit before Extraordinary Items and Tax		2647.24		2408.37
(g)	Extraordinary Items		0.00		0.00
(h)	Profit before Tax		2647.24		2408.37
(i)	Tax Expenses				
	(a) Current Tax	908.76		576.11	
	(b) Deferred Tax charge / (release)	74.71		393.80	
	(c) Short/(Excess) Provision of Tax	30.81		3.01	
			1014.28		972.92
(j)	Profit for the year		1632.96		1435.45
(k)	**Surplus in the Statement of Profit and Loss:**				
	Balance as per last Financial Statements		565.69		397.86
	Profit for the year		1632.96		1435.45
	Less : Appropriations:				
	(a) Proposed final equity dividend (amount per share Rs. 1.25/- P. Y. amount per share Rs. 1.25/-)	0.00		89.85	
	(b) Tax on proposed equity dividend	0.00		18.29	
	(c) Transferred to General Reserve	0.00		1159.78	
	Total Appropriations		0.00		1267.62
	Net Surplus in the statement of Profit and Loss		2198.65		565.69

STATE OF COMPANY'S AFFAIRS:

The Company has earned revenue from operations (gross) of Rs. 48041.68 lakhs during the year ended on 31st March, 2017 as against Rs. 45538.21 lakhs earned during the previous year ended on 31st March, 2016, giving a rise of 5.50% as compared to previous year. The Company has also earned other income of Rs. 192.64 lakhs during the year under review as against Rs. 104.86 lakhs earned during the previous year.

The Company has earned the Profit before Tax of Rs. 2647.24 lakhs during the year ended on 31st March, 2017 as compared to Rs. 2408.37 lakhs earned during the previous year ended on 31st March, 2016, showing a rise of 9.92%.

The Company has earned net Profit of Rs. 1632.96 lakhs for the year ended on 31st March, 2017 after providing Finance Cost and Depreciation and Amortisation expenses and after making Provision for Tax of Rs. 908.76 lakhs, Deferred Tax Charge of Rs. 74.71 lakhs and other adjustments, as compared to Profit of Rs. 1435.45 lakhs earned by the Company during the previous year ended on 31st March, 2016.

After adding the Surplus in the Statement of Profit & Loss of Rs. 565.69 lakhs brought forward from the previous year to the profit of Rs. 1632.96 lakhs earned by the Company during the year under review, the total amount of Rs. 2198.65 lakhs is available for appropriation.

DIVIDEND :

The Directors have recommended dividend of Rs.1.25 per share (@12.50%) on 71,87,830 Equity Shares of Rs. 10/- each of the Company for the Financial Year ended on 31st March, 2017 as compared to Dividend of Rs.1.25 per share (@12.50%)

declared for the previous Financial Year ended on 31st March, 2016. If approved, the dividend will be paid without deduction of tax at source to the shareholders.

TRANSFER TO RESERVE :

The Company does not proposes to transfer any amount to reserve during the year 2016-17.

EXTRACT OF ANNUAL RETURN:

Extract of Annual Return of the Company as required under Section 92(3) of the Act and Rule – 12 of the Companies (Management and Administration) Rules, 2014, in the prescribed Form – MGT-9, is annexed herewith as ***Annexure - A***, to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report has been enclosed herewith as per ***Annexure – B*** and forming part of the Directors' Report.

ADDITIONAL DISCLOSURES:

In line with the requirements of the Listing Agreement with the Stock Exchanges and the Accounting Standards of the Institute of Chartered Accountants of India, your Company has made additional disclosures in the Notes on Accounts for the year under review in respect of Related Party Transactions, Employees Benefits, Taxes on Income, Derivative Instruments, Segmental Reporting (in Notes on Consolidated Accounts), Calculation of EPS, Foreign Currency Transactions etc.

QUALITY ASSURANCE AND AWARDS

AWARDS AND CERTIFICATIONS:

Vadilal has won 27 awards over 4 consecutive years: 2008 to 2011 at 'The Great Indian Ice Cream Contest' organized by the Indian Dairy Association. The various categories for awards were: The Best in Class (3): Chocolate Frozen Dessert, Standard Chocolate Ice Cream, Rose Coconut Shell (Innovation – Novelty), Gold Medal (4): Standard Chocolate Ice Cream, Chocolate Frozen Dessert, Vanilla Frozen Dessert and Rose Coconut Shell (Innovation – Novelty), Bronze Medal (1): Natural Orange (Premium without Inclusion). Best in Class in Kids category – Joker Ice Trooper, Gold in Kids category – Joker Face Ice Trooper, Silver in Vanilla Frozen Dessert, Bronze in Vanilla Ice Cream – Happinezz Vanilla Ice cream, Bronze in Premium – Pista Happinezz Ice Cream garnished with Green Pista.

Vadilal Ice Creams has been voted as the "Most Trusted Ice Cream Brand in India" as per The Brand Trust Report - 2013. The Economic Times Survey ranked us among the "Top 20 Food and Beverages" brands in India.

ISO 22000:2005 AND ISO 9001:2008 CERTIFICATES

The Company has always made continuous efforts to improve the **"OVERALL PRODUCT QUALITY"** by following the stringent **GMP norms** and continuous process innovation. This is evident with the achievement of **FSMS** (Food Safety Management System) Certifications i.e. **BRC: Issue-6** with Grade **"A", ISO-22000:2005** and **HALAL** for our Processed Food Division (PFD), located at Dharampur, Dist. Valsad, Gujarat.

The PFD Manufacturing facility is also listed in **"Two Star Export House"** Status by Joint Director General of Foreign Trade, Ministry of Commerce and Industry for export of Processed Foods Products -**APEDA**.

The Ice Cream plants of the Company located in two locations - Pundhra in Gujarat & Barelly in UP are also certified for **ISO-22000:2005, ISO 9001:2008 and BRC: Issue 6** for Food Safety Management System is another feather in the cap for the Company.

FINANCE:

During the year under review, the company has availed / reviewed Working Capital Loan / Term Loan / Unsecured loans / Vendor Finance / Bill Discounting / ICDs, etc. from various Banks, FIs, Various Parties and other companies. During the year company has made regular repayment of Loan & interest and there is no any overdue payment to Banks and FIs. During the year Banks has reduced the ROI on existing credit facilities. Company has maintained external rating from CARE Ratings, they have reviewed / enhanced the external rating of the company from BBB (Negative) to BBB (Stable).

During the financial year – 2016-2017, the Company has deposited unclaimed/ unpaid fixed deposit amount of Rs. 35000/- to Investor Education and Protection Fund - IEPF.

During the Financial year – 2016-2017, the Company has also transferred Rs. 204953 /- being amount of unpaid dividend for the year – 2008-2009 to Investor Education and Protection Fund.

DETAILS OF DEPOSITS:

a. During the year under review, the details of deposits accepted by the Company from its Members, after complying with the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, are as under :

i. Details of Deposit from Shareholders : **(Rs. in lakhs)**

(a) Amount of existing deposits as at 1st April, 2016:		1062.63
(b) Amount of deposits accepted or renewed during the year		
(i) Secured deposits:	0	
(ii) Unsecured deposits:	1021.25	
Total (b) ::		1021.25
(c) Amount of deposits repaid during the year:		318.98
(d) Balance of deposits outstanding at the end of the year (a+b-c)		**1764.90**

ii. **Details of Deposit from Public [Accepted under Companies Act, 1956 and Companies (Acceptance of Deposit) Rules, 1975]:** **(Rs. in lakhs)**

(a)	Amount of existing deposits as at 1st April, 2016	285.69
(b)	Amount of deposits accepted or renewed during the year	
	(i) Secured deposits	0
	(ii) Unsecured deposits	0
	Total (b) :	0
(c)	Amount of deposits repaid during the year	285.54
(d)	Balance of deposits outstanding at the end of the year (a+b-c)	**0.15**
		285.69

b. As on 31st March, 2017, deposits of Rs. 15000/- was remained unpaid or unclaimed by the Company.

c. During the year under review, the Company has not made any default in repayment of deposits or payment of interest on deposits.

d. The Company has not accepted or renewed any deposit which is not in compliance with the provisions of Chapter – V of the Companies Act, 2013.

SUBSIDIARY COMPANY:

The Company is having a wholly-owned subsidiary company namely Vadilal Industries (USA) Inc., USA. Except the same, during the year under review, no Company has become or ceased to become subsidiary, joint venture or associate Company. A report on the financial position of the subsidiary and associate as per first proviso to sub-section(3) of Section 129 of the Companies Act, 2013 and Rules made thereunder in the prescribed Form – AOC-1 is provided as ***Annexure – C*** to the consolidated financial statement and hence not repeated here for the sake of brevity. The Policy for determining material subsidiaries may be accessed on the Company's website viz www.vadilalgroup.com.

Pursuant to the provisions of Section 136 of the Act, separate Audited Accounts in respect of subsidiary company are available at the web-site of the Company viz. www.vadilalgroup.com.

CONSOLIDATED FINANCIAL STATEMENTS:

Pursuant to the requirements of Section 129(3) read with Schedule – III of the Companies Act, 2013 and Rules made thereunder, and Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirement), 2015 and other applicable Accounting Standards, the Consolidated Financial Statements of the Company, its wholly-owned Subsidiary Company namely, Vadilal Industries (USA) Inc., Vadilal Cold Storage, a Partnership Firm and Vadilal Forex and Consultancy Services Ltd., an Associate Company, for the year ended on 31st March, 2017 have been attached with the financial statement of the Company. The Audited Consolidated Financial Statements form part of the Annual Report.

CORPORATE GOVERNANCE:

Being a Listed Company, the Company has taken necessary measures to comply with the Listing Agreement with the Stock Exchanges as amended from time to time including Regulation 72 of SEBI (Listing Obligation and Disclosure Requirement), 2015 regarding Corporate Governance. A separate report on Corporate Governance for the year ended on 31st March, 2017 is attached herewith as a part of this Annual Report viz ***Annexure - D***. A certificate from Statutory Auditors of the Company regarding compliance of Corporate Governance as stipulated under Regulation 34(3) and 53(f) of SEBI (Listing Obligation and Disclosure Requirement), 2015 is obtained by the Company and annexed to the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the confirmation and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(C) and 134(5) of the Companies Act, 2013 and confirm :

(*a*) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(*b*) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(*c*) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(*d*) The directors had prepared the annual accounts on a going concern basis;

(*e*) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(*f*) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:

As on 31st March, 2017, there is no loan given by the company covered undersection 186 of the Companies Act, 2013. The detail of investments made and guarantees given by the company as on 31st March, 2016 is mentioned in the note-2 account.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in ***Annexure – E*** in the prescribed Form – AOC-2 and the same forms part of this report.

All related party transactions are placed before the Audit Committee of the Company for review and approval.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website viz. www.vadilalgroup.com.

Your Directors draw attention of the members to Note – 28.3 to the financial statement which sets out related party disclosures.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder, Mr. Devanshu L. Gandhi, Managing Director (DIN: 00010146) of the Company, shall retire by rotation at this Annual General Meeting and being eligible, offer himself for re-appointment. The retiring by rotation of Mr. Devanshu L. Gandhi, as aforesaid and his re-appointment shall not be termed as discontinuation in his office as Managing Director of the Company. The Members are requested to consider his re-appointment as Director of the Company, for which necessary resolution has been incorporated in the notice of the meeting.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder, Mr. Kalpit R. Gandhi (DIN: 02843308) of the Company shall retire by rotation at this Annual General Meeting and being eligible, offer himself for re-appointment The Members are requested to consider his re-appointment as Director of the Company, for which necessary resolution has been incorporated in the notice of the meeting.

Pursuant to the provisions of Section 149 and 152 1of the Companies Act, 2013 and Rules made thereunder and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and on the recommendation of the Nomination and Remuneration Committee, the Company proposes to appoint Mr. Jignesh Shah and Mr. Vijay Shah, who were appointed as Additional Directors at the Board Meeting held on 11th November, 2016, as Independent Directors of the Company, not liable to retire by rotation. The Company has received requisite notices in writing from a Member proposing their candidature for appointment as a Director of the Company. The aforesaid Independent Directors, if appointed, shall hold office for a term of 5 consecutive years up to the conclusion of the 38th Annual General Meeting of the Company in the calendar year 2022.

The brief resume/details relating to the said Directors, who are to be re-appointed/appointed are furnished in the Notes to the Notice of the Annual General Meeting.

BOARD EVALUATION:

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual independent directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed under Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement), 2015.

The performance of the Board and committees were evaluated by the Board on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

COMMITTEES OF DIRECTORS:

The details of various committees of Directors constituted under various provisions of Companies Act, 2013 and Rules made thereunder, their constitution, terms of reference and other details are provided in the Corporate Governance Report annexed with the Directors' Report.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Policy on appointment and remuneration of Directors as approved by the Board of Directors is enclosed with the Directors' report and marked as ***Annexure - F.***

OTHER POLICIES AND MEASURES AS PER THE REQUIREMENT OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENT), 2015

The Securities Exchange Board of India has notified SEBI (Listing Obligation and Disclosure Requirement), 2015 on 2nd September, 2015 under which Company needs to formulate several policies and need to take certain measures for the purpose of effective Corporate Governance.

List of Policies formulated and measures taken approved by the Board of Director is as follows:

1. Policy on Related Party Transaction
2. Policy on determining Material Subsidiary
3. Whistle Blower Policy
4. Prepared Familiarization Programme for Independent Directors
5. Established Code of Conduct for the Board of Director

All of the above policy and measures are prepared on the line of Companies Act, 2013 as amended and SEBI (Listing Obligation and Disclosure Requirement), 2015 which is subject to amendment as per applicable law from time to time. To view above policies & measures visit http://vadilalgroup.com/

NUMBER OF BOARD MEETINGS:

During the year under review, 5 Meetings of Board of Directors were held the details of which are mentioned in the Corporate Governance Report annexed with the Directors' Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

As required under Section 134(1)(m) of the Companies Act, 2013 and Rules made thereunder, details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the ***Annexure – G*** attached herewith and forming part of the Directors' Report.

RISK MANAGEMENT:

The Company is exposed to various business risks from time to time. Risk management involves handling appropriately risks that are likely to harm an organization. There are various types of risks associated with conducting business of the Company. The ultimate goal of risk management is the preservation of physical and human assets of the organization for successful continuation of its operations.

In view of the same and in terms of requirements of the regulation 17 of SEBI (Listing Obligation and Disclosure Requirement), 2015 regarding Corporate Governance (erstwhile Clause – 49 of the Listing Agreement), the Board of Directors had, at its meeting held on 31st January, 2006 approved the risk assessment and minimization procedure adopted by the Company in relation to its business.

The Board periodically reviews the risk assessment and minimization procedure in relation to the business of the Company.

CORPORATE SOCIAL RESPONSIBILITY:

In terms of provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, a committee of the Directors of the Company has been constituted as Corporate Social Responsibility Committee. The Corporate Social Responsibility Committee has formulated a policy on the Corporate Social Responsibility measures to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013.

The Corporate Social Responsibility Policy is available on the Company's web-site viz. www.vadilalgroup.com.

The Annual Report on CSR activities is annexed herewith marked as ***Annexure - H.***

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

AUDITORS:

In accordance with Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Kantilal Patel & Co., Chartered Accountants, Statutory Auditors of the Company shall retire at the conclusion of the Annual General Meeting of the Company. Pursuant to the provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Board of Directors has, on recommendation of the Audit Committee, recommended for the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration No.: 117366W/W-100018) as the Statutory Auditors at the Annual General Meeting for a period of five years i.e. to hold office from the conclusion of this Annual General Meeting till the conclusion of the 38th Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every AGM, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

Consent and certificate u/s 139 of the Companies Act, 2013 have been obtained from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration No.: 117366W/W-100018), to the effect that their appointment, if made, shall be in accordance with the applicable provisions of the Act and the Rules issued thereunder.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration No.: 117366W/W-100018), has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

AUDITORS' REPORT OF THE COMPANY:

There is no qualification/ reservation/ adverse remark raised by statutory auditors of the company which are required to be clarified in the directors report for the affairs of the company for the financial year 2016-17.

SECRETARIAL AUDITOR:

Section 204 of the Companies Act, 2013 inter alia requires every listed companies to annex with its Board Report a Secretarial Audit Report given by a Company Secretary in practice in the prescribed form. The Board has appointed M/s SPAN & Co., Company Secretaries LLP, to conduct Secretarial Audit for the financial year – 2016-2017. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith marked as ***Annexure – I*** to this Report.

The following clarification has been made by the Directors in respect of the observation made by the Secretarial Auditors in the Secretarial Audit Report for the year ended on 31st March, 2017.

Since, the Company was evaluating the local situation and possible options to initiate Corporate Social Responsibilities activities near Dharampur and Bareilly factory of the Company and the project is under design , the Company could not spent sufficient amount towards Corporate Social Responsibility during the year – 2016-2017, as required. The Directors ensure that the Company will spend sufficient amount towards Corporate Social responsibility in the next financial year.

INSURANCE:

All insurable interests of the Company including buildings, plant and machinery, furniture & fixtures and other insurable interest are adequately insured.

LISTING WITH STOCK EXCHANGES:

The Equity Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The Company confirms that it has paid Annual Listing Fees due to the BSE Limited and National Stock Exchange of India Limited upto the Financial Year –2017-2018.

PARTICULARS OF EMPLOYEES:

The Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed with this report as ***Annexure - J.***

The Statement of particulars of employees under Section 197(12) read with Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is not provided with as, during the financial year under review, no employee of the Company including Managing Directors was in receipt of remuneration in excess of the limits set out in the said rules.

MATERIAL INFORMATION :

During the period under review, a Company Petition (being Company Petition No. 42 of 2017) has been filed against the Company, before the National Company Law Tribunal, Ahmedabad ("NCLT"), under Sections 241 and 242 of the Companies Act, 2013. In connection to the said Company Petition No. 42 of 2017, the Petitioners and some of the parties to the petition are seeking to arrive at an amicable resolution of matter.

GENERAL:

- During the year under review, there was no change in the nature of business of the Company and there is no material change and/or commitments, affecting the financial position of the Company, during the period from 31st March, 2017 till the date of this report.
- During the year under review, there was no significant and/or material order passed by any regulators or courts or tribunals impacting the going concern status and company's operations in future.
- The Company does not provide any loan or other financial arrangement to its employees or Directors or Key Managerial Personnel for purchase of its own shares and hence, the disclosure under Section 67(3)(c) of the Companies Act, 2013 does not require.
- During the year under review, no Director or Managing Director of the Company has received any remuneration or commission from subsidiary of the Company in terms of provisions of Section 197(14) of the Companies Act, 2013.
- The disclosure in terms of Rule – 4 of Companies (Share Capital and Debenture) Rules, 2014 is not provided, as the Company does not have any equity shares with differential voting rights.
- The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

ACKNOWLEDGEMENT:

The Directors place on record the appreciation and gratitude for the co-operation and assistance extended by various departments of the Union Government, State Government, Bankers and Financial Institutions.

The Directors also place on record their appreciation of dedicated and sincere services of the employees of the Company at all levels.

The Company will make every effort to meet the aspirations of its Shareholders and wish to sincerely thank them for their whole hearted co-operation and support at all times.

By order of the Board of Directors

RAJESH R. GANDHI
Chairman and Managing Director
DIN : 00009879

Place : Ahmedabad
Date : 26th August, 2017

ANNEXURE – A TO THE DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L91110GJ1982PLC005169
2.	Registration Date	28-4-1982
3.	Name of the Company	VADILAL INDUSTRIES LIMITED
4.	Category/Sub-category of the Company	Public Limited Company
5.	Address of the Registered office & contact details	Vadilal House, Shrimali Society,Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad – 380 009.Ph.: 079-30153189.
6.	Whether listed company	Listed at BSE Limited and National Stock Exchange of India Limited
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	MCS Share Transfer Agent Limited 201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009. Tel. Nos. : (079) 26580461/462 • Fax No. : (079) 26584027

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Ice-cream and Frozen Desert Product	1050	87.83%
2	Fruit Pulp, Frozen Fruits etc.	1030	10.90%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
1	Vadilal Industries (USA) Inc., 44, Woodbrook Drive, Edison, New Jersey - 08820	N.A.	Wholly Owned Subsidiary	100%	2(87)(ii)
2#	Vadilal Forex & Consultancy Services Limited, Vadilal House, Shrimali Society, Nr. Navrangpura Railway Crossing, Navrangpura, Ahmedabad – 380 009.	U93000GJ1995PLC026204	Associate	29%	2(6)

Ceased to be an Associate Company w.e.f. 28th March, 2017.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters*									
(1) **Indian**									
a) Individual/ HUF	186351	0	186351	2.59	186351	0	186351	2.59	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	3382615	30560	3413175	47.49	3382615	30560	3413175	47.49	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Directors' Relatives	1072201	12458	1084659	15.09	1071591	12208	1083799	15.08	-0.01
Sub Total(A)(1)	**4641167**	**43018**	**4684185**	**65.17**	**4640557**	**42768**	**4683325**	**65.15**	**-0.02**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
Individuals (Non-Residents Individuals/Foreign Individuals)	0	0	0	0	0	0	0	0	**0.00**
Bodies Corporate	0	0	0	0	0	0	0	0	**0.00**
Institutions	0	0	0	0	0	0	0	0	**0.00**
Any Others(Specify)	0	0	0	0	0	0	0	0	**0.00**
Sub Total(A)(1)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**
Total shareholding of Promoter (A)	**4641167**	**43018**	**4684185**	**65.17**	**4640557**	**42768**	**4683325**	**65.15**	**-0.02**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1015	7450	8465	0.12	2161	7450	9611	0.13	0.01
b) Banks / FI	0	1650	1650	0.02	1605	1650	3255	0.05	0.03
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	4000	700	4700	0.07	0	500	500	0.01	-0.06
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	**5015**	**9800**	**14815**	**0.21**	**3766**	**9600**	**13366**	**0.19**	**-0.02**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	388620	7746	396366	5.51	526272	7346	533618	7.42	1.91
ii) Overseas									
b) Individuals									
i) Individual share-holders holding nominal share capital upto Rs. 1 lakh	989113	341528	1330641	18.51	873383	327924	1201307	16.71	-1.80
ii) Individual share-holders holding nominal share capital in excess of Rs 1 lakh	667213	0	667213	9.28	669849	0	669849	9.31	0.03
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	38793	0	38793	0.54	38198	0	38198	0.53	
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	300	0	300	0.004	0	0	0	0	-0.004
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Hindu Undivided Families (HUF)	55508	9	55517	0.77	48158	9	48167	0.67	-0.10
Sub-total (B)(2):-	**2139547**	**349283**	**2488830**	**34.63**	**2155860**	**335279**	**2491139**	**34.66**	0.03
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**2144562**	**359083**	**2503645**	**34.83**	**2159626**	**344879**	**2504505**	**34.84**	0.01
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**6785729**	**402101**	**7187830**	**100**	**6800183**	**387647**	**7187830**	**100**	0

B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (1-4-2016)			Shareholding at the end of the year (31-3-2017)			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Vadilal International Private Limited	2809704	39.09	0	2809704	39.09	0	0.00
2	Vadilal Finance Company Pvt. Ltd.	328311	4.57	0	328311	4.57	0	0.00
3	Veronica Construction Pvt. Ltd.	244600	3.40	0	244600	3.40	0	0.00
4	Vadilal Marketing Private Limited	10330	0.14	0	10330	0.14	0	0.00
5	Byad Packaging Private Limited	10137	0.14	0	10137	0.14	0	0.00
6	Vortex Ice-Cream Private Limited	9943	0.14	0	9943	0.14	0	0.00
7	Vadilal Enterprises Limited	150	0.00	0	150	0.00	0	0.00
8	Ramchandra R. Gandhi	10000	0.14	0	10000	0.14	0	0.00
9	Virendra R. Gandhi	160252	2.23	0	160252	2.23	0	0.00
10	Rajesh Ramchandra Gandhi	227721	3.17	0	227721	3.17	0	0.00
11	Devanshu Laxmanbhai Gandhi	340450	4.74	0	340450	4.74	0	0.00
12	Ila V. Gandhi	107931	1.50	0	107931	1.50	0	0.00
13	Mamta Rajesh Gandhi	122251	1.70	0	122251	1.70	0	0.00
14	Deval Devanshu Gandhi	59266	0.82	0	59266	0.82	0	0.00
15	Naynaben Surendrabhai Chokshi	21637	0.30	0	21637	0.30	0	0.00
16	Janmajay Virendrabhai Gandhi	14893	0.21	0	14893	0.21	0	0.00
17	Nitaaliashemali Piyush Surati	11808	0.16	0	11558	0.16	0	0.00
18	Ushaben Navinchandra Modi	8450	0.12	0	7840	0.11	0	-0.01
19	Virendra Ramchandra Gandhi (Huf)	119699	1.67	0	119699	1.67	0	0.00
20	Rajesh R. Gandhi - HUF	62411	0.87	0	62411	0.87	0	0.00
21	Laxman R. Gandhi (HUF)	4241	0.06	0	4241	0.06	0	0.00
	Total	**4684185**	**65.17**	0	**4683325**	**65.16**	0	**-0.01**

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year (As on 1-4-2016)		Cumulative Shareholding during the year (from 1-4-2016 to 31-3-2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	4684185	65.17	4684185	65.17
	Increase / Decrease in Promoters Shareholding during the year due to Transfer	-860	-0.01	4683325	65.16
	At the end of the year	4683325	65.16	4683325	65.16

D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Particulars	Shareholding at the beginning of the year (As on 1-4-2016)		Cumulative Shareholding during the year (from 1-4-2016 to 31-3-2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	823854	11.54	823854	11.54
	Increase / Decrease in Top 10 shareholders' holding during the year due to Transfer	53315	0.66	877169	12.20
	At the end of the year			877169	12.20

E) **Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginningof the year (As on 1-4-2016)		Cumulative Shareholding during the year (from 1-4-16 to 31-3-2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Mr. Rajesh R. Gandhi, Chairman and Managing Director**				
	At the beginning of the year	227721	3.17	227721	3.17
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	227721	3.17
	At the end of the year	227721	3.17	227721	3.17
2.	**Mr. Devanshu L. Gandhi, Managing Director**				
	At the beginning of the year	340450	4.74	340450	4.74
	Increase / Decrease in Promoters Shareholding during the year due to transmission	0	0	340450	4.74
	At the end of the year	340450	4.74	340450	4.74
3.	**Mr. Deval D. Gandhi, Director**				
	At the beginning of the year	59266	0.82	59266	0.82
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	59266	0.82
	At the end of the year	59266	0.82	59266	0.82
4.	**Mrs. Ruchita Gurjar, Company Secretary**				
	At the beginning of the year	1	0	1	0
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	1	0	1	0

Note : Apart from the above, other Directors and Key Managerial Personnel are not holding any shares in the Company.

V) **INDEBTEDNESS -**Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Sr. No.		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
1	**Indebtedness at the beginning of the financial year**				
	i) Principal Amount	9605.93	1218.06	1348.32	12171.31
	ii) Interest due but not paid	35.25	19.10	0	54.35
	iii) Interest accrued but not due	19.75	0.96	68.79	89.50
	Total (i+ii+iii)	9660.93	1238.12	1417.11	12316.16
2	**Change in Indebtedness during the financial year**				
	A + Addition				
	i) Principal Amount	1540.13	0.00	1023.93	2564.06
	ii) Interest due but not paid	27.40	18.90	0.00	46.30
	iii) Interest accrued but not due	0.59	6.79	58.22	65.60
	B -Reduction				
	i) Principal Amount	-1779.62	-484.28	-607.20	-2871.10
	ii) Interest due but not paid	-35.25	-19.10	0.00	-54.35
	iii) Interest accrued but not due	-19.75	-0.96	-68.79	-89.50
	Net Change	-266.50	-478.65	-406.16	-338.99
	Indebtedness at the end of the financial year				
	i) Principal Amount	9366.44	733.78	1765.05	11865.27
	ii) Interest due but not paid	27.40	18.90	0.00	46.30
	iii) Interest accrued but not due	0.59	6.79	58.22	65.60
	Total (i+ii+iii)	**9394.43**	**759.47**	**1823.27**	**11977.17**

Note :

i. Deposits include Unclaimed Fixed deposits shown in other current liabilities.

ii. Opening interest shown as paid and closing interest shown as receipt.

iii. Interest accrued and due is debited by bank subsequently.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Rajesh R.Gandhi, Chairman and Managing Director	Mr. Devanshu L. Gandhi, Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3960000	3960000	7920000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2126500	2124000	4250500
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission- as % of profit - others, specify…	5823000 2% of net profit	5823000 2% of net profit	11646000
5	Others, please specify:Contribution to Provident Fund	475200	475200	950400
	Total (A)	**12384700**	**12382200**	**24766900**
	Ceiling as per the Act			10% of net profit

B. REMUNERATION TO OTHER DIRECTORS

SN.	Particulars of Remuneration	Name of Directors #						Total Amount (Gross)
		Mr. Kshitish M. Shah	Mr. Rohit J. Patel	Mr. Chetan Tamboli	Mr. Malay Mahadevia	Mr. Jignesh Shah	Mr. Vijay Shah	
1	**Independent Directors**							
	Fee for attending board committee meetings	65000	65000	125000	0	62500	62500	380000
	Commission	0	0	0	0	0	0	0.00
	Others, please specify	0	0	0	0	0	0	0.00
	Total (1)	**65000**	**65000**	**125000**	**0**	**62500**	**62500**	
2	**Other Non-Executive Directors**	**Mrs. Deval D. Gandhi**						0.00
	Fee for attending board committee meetings	100000						100000
	Commission	0						0
	Others, please specify	0						0
	Total (2)	**100000**						**100000**
	Total Remuneration (1+2)							**480000**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD)

SN	Particulars of Remuneration	Key Managerial Personnel (CTC as on 31-3-17)		
		Mr. Kalpit R. Gandhi, Chief Financial Officer	Mrs. Ruchita Gurjar, Company Secretary*	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1099344	226992	1326336
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1179528	588513	1768041
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit			
	others, specify...			
5	Others (Bonus, Insurance, Gratuity, Ex-gratia, Provident Fund)	351792	72635	424427
	Total	2630664	888140	3518804

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY	**NIL**				
Penalty					
Punishment					
Compounding					
B. DIRECTORS	**NA**				
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT	**NA**				
Penalty	NIL	**NIL**	**NIL**	NIL	**NIL**
Punishment	NIL	**NIL**	**NIL**	NIL	**NIL**
Compounding	NIL	**NIL**	**NIL**	NIL	**NIL**

ANNEXURE B TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS (2016-2017)

1) INDUSTRY STRUCTURE & DEVELOPMENT, BUSINESS OVERVIEW AND SUSTAINABLE GROWTH OPPORTUNITIES.

a) <u>Ice Cream Division</u>

a) Ice Cream Division

Overview

India is the largest producer of milk, as the country accounts for over 1/5th of global milk production, thereby offering ice cream market in the country with a large volume of raw material for manufacturing of ice creams. The ice cream market in India is forecast to exhibit a CAGR of 17.03% during 2016-2021. Keeping up with the economy's quantum growth in recent years, the ice cream market has also set new records. The total Indian ice cream market is estimated at approx. Rs. 3000 crores with the organized sector estimated at Rs. 2000 crores.

An ice cream makes everything better, be it an everyday occasion or life's most precious moments. Our range of ice creams and frozen desserts have always fulfilled this promise by making these special moments even more beautiful.

Increasing urbanization, rising disposable incomes and increasing "out of home food" consumption coupled with the ever-increasing availability of various foods in the markets close to residential areas are some of the reasons driving the ice cream segment.

The structure of the industry and the ongoing transformation offers ample and more opportunities for organized players to invest and grow. Vadilal Ice Cream division has shown a sustainable annual growth consistently and aims to maintain it further in the years to come.

Since its inception, we have been committed towards delivering the best quality products at affordable prices to every customer. We are constantly working towards improving our products in terms of their nutritional profile and benefits.

Developments

Taking forward our tradition of introducing innovative products at regular intervals, we have made numerous additions in 2016 including Parineeti's Favourites Ice Cream Tubs, Jumbo Ice Cream Cups, Frootful Chatpata Cola and Litchi Ice Cream Dolly.

Our existing brands like Badabite, Flingo and Gourmet continue to show substantial movement in the market. The challenge of sustaining the innovative trends has been confronted by introducing new variants like Badabite Select and Flingo Belgian Chocolate.

As multi-national ice cream brands enter India, it has become imperative for us to reinvent our strategy to consolidate our leadership. We have always endeavored to offer innovative products to the consumers and are proud of the fact that there are many products which have been introduced by us in the Indian market that have gone ahead to become regular products for all ice cream manufacturers.

The overall consumer awareness and the size of the premium ice cream segment has increased with the entry of international brands in India. Following these developments, we have also launched many variants in the premium segment like ice cream bars, ice cream sandwiches and Artisan ice cream cakes.

We have also introduced a new packaging template this year to revamp and register our presence strongly in the market and break away from the clutter.

With an upgrade to our production technology, it has become more feasible for us to offer premium and innovative products in the market.

Our Ice Trooper range continues to consolidate the kids' market and has become every kid's favourite across India. This year, we added a new variant called Cyclone to this popular range.

New mega brands, installation of state-of-the-art machines and significant expansion in production facilities will combine to make us an even stronger force to reckon with in the domestic ice-cream market.

Vadilal has India's fastest cone-making machine. This year, we have put in place a machine which can make 18,000 cones per hour. It is the first and the only ice cream producer in India to have a machine with such a huge capacity. Vadilal is the largest player in Cones, Cups and Candies categories.

Vadilal has started exclusive parlours in two formats: Scoop Shop and Hangout. These formats offer a contemporary trendy range of Premium Ice Creams and Concoctions in a very chic ambience. The purpose of launching these two formats is to present the brand in a very contemporary and modern way. It is in line with our efforts towards shifting the brands focus from mass to mass premium.

We are making steady progress in launching new products in the premium segment. We have introduced a new range of Jumbo Ice Cream Cups that are made with pure milk cream and fine ingredients. Apart from these we have also added more ice cream flavours in our popular party pack segment.

Vadilal's MELT IN parlour offering a range of high-end artisanal gelato ice cream has gained a lot of popularity in the past few years. With its success, Vadilal has once again proven its mettle in launching international ice cream experiences in India.

Vadilal has two ice cream production facilities – one at Pundhra in Gandhinagar district, Gujarat and the other at Bareilly in Uttar Pradesh. To increase the production capacity and to have better automation, we had undertaken expansion-cum-modernisation project of the factories, which has been successfully completed.

Apart from ice creams, Vadilal is also aggressively expanding in categories which offer value chain benefits and show a strong potential to grow. Vadilal already has strong backward linkages with the farmer community for its milk procurement for ice creams at its plant near Ahmedabad. Taking the relationship further, Vadilal has recently forayed in the flavoured milk segment under the brand name "Power Sip". Power Sip comes in a uniquely shaped bottle ensuring a proper grip for the customer and is available in flavours like "Kesar", "Elaichi", "Coffee" and "Rose". R&D is going on for development of other flavours.

b) <u>Processed Food Division</u>

i. OVERVIEW:

Food is one of the most interesting subjects and lucrative business across the world. With every passing day, the category is growing manifolds. The driving factors are quality, variety, convenience, innovation and most importantly taste that satisfy the craving taste pallets.

The structure of the global food industry is continually changing and evolving as food suppliers, manufacturers, and retailers adjust to meet the needs of consumers, who are increasingly demanding a wider variety of higher quality products. In the quest to meet consumer demands for variety, affordability, safety, and quality, the food retail sector is constantly evolving and generating innovative sale formats. In addition to the popular supermarket format, hypermarkets, discounters, convenience stores, and combined gasoline and grocery outlets have emerged in numerous countries in recent years.

ii. GLOBAL MARKET VIEW:

Global food retail sales are about $4 trillion annually, with supermarkets/hypermarkets accounting for the largest share of sales. Most of the leading global retailers are U.S. and European firms, as large multinational retailers expand their presence in developing countries and small retail firms increasingly account for a smaller share of total food sales. With improved technologies and economies of size, the retailers enjoy operating cost advantages over smaller local retailers.

Similar to retailers, food manufacturers are reorienting their business strategies in response to consumer signals transmitted via retailers. Two common strategies are geographic expansion in developing countries and a greater

emphasis on product category management. Although multinational manufacturers are rapidly expanding their operations, firm concentration in food manufacturing is not visible at the global level.

Driven by innovation and competition from private retail brands, food manufacturers are focusing on specific product lines where they have inherent advantages. There is greater emphasis on "category management" and "focused growth" compared with the product portfolio diversification strategies of the past. This strategy allows food firms to become leaders in certain core product lines and to better cater to consumer demand for these products in different markets. Therefore, while manufacturer concentration is not evident at the global level for total packaged food sales, firm concentration may exist in specific product lines and regional markets. Firm concentration is particularly evident for those products where the manufacturer's brands are popular, such as in soup, breakfast cereal, and baby food.

c) **Forex Division**

RBI AUTHORISED AD.II CATEGORY LICENCE HOLDER.

The Division is RBI approved Authorized Dealer Category II and carries out Money Changing and current account related transactions [other than trade related]. The Division takes care in Money Changing activities such as buying and selling Travelers Cheques, Travel Card, Currency Notes of all major traded currencies of the world. Besides having license under AD.II category, the division takes care of issuance of Demand Drafts, transfer of money abroad through Swifts, Telegraphic Transfer, etc. The Division is among the leading AD II category money changers and is especially competitive in permitted Outward Remittances.

The Year gone by has seen World Trade particularly India's International Trade emerging from contraction and finally things look rosy providing opportunities for Money changing as well as Forex Advisory businesses.

2) **FUTURE STRATEGY**

a) **Ice-cream Division**

India ice cream market was dominated by impulse category of ice creams in 2015, and this category is further expected to continue its dominance during the forecast period as well, owing to growing demand for premium ice creams and changing consumer taste.

Looking at the trends from the recent past, we foresee fast growth in the traditional "out of home food" category like ice creams and frozen desserts. However, along with the increasing demand for convenience, the continuing need for value as a trend is also growing. We plan to continue with the strategy of consolidating our presence in the high end premium segment. Earlier, Vadilal was only focused on offering mass segment products. However, we have been able to increase our share in the premium segment as well and it has helped the overall growth.

Distribution plays a key role in the success of our business. We are planning to increase our reach in the existing market in terms of consolidating our presence in Cash and Carry format as well as the Modern Retail segment. The logistics of ice cream, being a cold chain product, are complex and we are continuously expanding our cold chain distribution network through refrigerated vehicles and deep freezers.

We have worked on increasing the physical touch points with our consumers and executed it by putting in place a robust network of dealers, FOWs (Freezer On Wheels) and Ice Cream parlours.

Along with various ATL campaigns, we also plan various BTL activities to enhance consumer experience with Vadilal. We plan to organize innovative cross promotional activities to enhance the brand engagement with consumers and use the digital space actively as well. We are also planning to increase the branding activity at the retail level.

The Company primarily focuses on increasing the ice cream consumption by continuously offering innovative products at affordable rates. The Company is committed to eliminate the barriers in availability of ice cream with expansion in distribution.

The overall vision of the company is to increase the consumption of ice-cream at national level supported fully by appropriate promotion and communication strategies.

b) **Processed Food Division**

Vadilal has been a strong household name, not only in India but also abroad and the same has been proven correct by response Vadilal Industries saw by the launch of its ice cream products in America.

By using its century-old knowledge of making yummlicious ice creams, Vadilal has created an aura of nostalgia and has been able to evoke childhood memories in Indians who left for America years back.

With a single intention to offer rich dairy-based, no artificial flavor ice creams, Vadilal has taken strong R&D steps to cater to health-conscious Indian Americans. After Initial introduction of a wide range of flavors in tubs, Kulfis sticks and dollies, Vadilal has further launched more variants and SKUs. It has been successful in expanding its consumers base to not only ethically diversified Indians, but also to Asians at large.

While Vadilal has tasted success in the West with its ice cream range, it has also taken a strong entry into important Gulf markets. Having realized, that the pallet taste of Arabs is similar to that of Indians, Vadilal was quick to offer required product range suitable for Gulf.

Combining its decade-old expertise in distribution and futuristic marketing vision, Vadilal has been able to win the confidence of the retailers and attracted consumers. Vadilal intends to remain a strong household name amongst Indians based in Australia, America, Europe, Gulf, Southeast Asia and Africa and plans to introduce more food products.

3) **HIGHLIGHTS OF FINANCIAL PERFORMANCE AND OPERATIONAL PERFORMANCE.**

Inspite of tough competition in Ice-cream business, your Company has earned revenue from operations (gross) of Rs. 48041.68 lakhs during the year ended on 31st March, 2017 as against Rs. 45538.21 lakhs earned during the previous year ended on 31st March, 2016, giving a rise of 5.50% as compared to previous year. The Company has also earned other income of Rs. 192.64 lakhs during the year under review as against Rs. 104.86 lakhs earned during the previous year.

The Company has earned the Profit before Interest, Tax, Depreciation and Amortisation (EBITDA) of Rs. 2647.24 lakhs during the year ended on 31st March, 2017 as compared to Rs. 2408.37 lakhs earned during the previous year ended on 31st March, 2016, showing a rise of 9.92%.

The Company has earned net Profit of Rs. 1632.96 lakhs for the year ended on 31st March, 2017 after providing Finance Cost and Depreciation and Amortisation expenses and after making Provision for Tax of Rs. 908.76 lakhs, Deferred Tax Charge of Rs. 74.71 lakhs and other adjustments, as compared to Profit of Rs. 1435.45 lakhs earned by the Company during the previous year ended on 31st March, 2016.

Turnover History

Financial year	Rs. in lakhs
2007-08	13263.69
2008-09	14792.6
2009-10	18890.77
2010-11	23613.82
2011-12	28580.25
2012-13	32765.9
2013-14	37170.32
2014-15	41288.57
2015-16	45538.21
2016-17	48041.68

4) SEGMENT WISE PERFORMANCE.

The Company has identified three business segments in line with the Accounting Standard on Segment Reporting (AS 17). These are (1) Ice-cream (2) Processed Foods and (3) Others. Below mentioned table gives the audited financial results of these segments.

Consolidated Segment revenue, results and capital employed for the year ended 31st March, 2017	**(Rs. in lacs)**
Segment Revenue (Sales plus income from services)	
Ice-cream	444360.86
Processed Foods	4550.58
Others	203.54
Total:	49114.98
Less : Inter -segment revenue	0.00
Net Sales/Income from Operations	**49114.98**
Segment Results (PBIT)	
Ice-cream	5597.26
Processed Foods	-535.14
Others	-178.56
Total:	4883.56
Less : Interest Expenses (Net) & prior year adjustment	1549.47
Other unallocable expenditure	448.43
Total Profits (PBT)	**2885.66**
Capital employed in segments	
(Segment assets less liabilities) - as at 31st March, 2017	
Ice-cream	19322.42
Processed Foods	8448.17
Others	228.09
Total Capital employed in segments	27998.68
Add :Unallocable corporate assets less corporate liabilities	-13421.20
Total Capital Employed	**14577.48**

5) RISKS AND CONCERNS

a) Ice Creams Division

For Vadilal, competition is not seen a risk. We track our competition closely to continuously innovate and make better products that will keep us a step ahead of our competitors. The Company has tackled competition successfully in the past and can overcome them efficiently in the future too. The market is flooded with new local and regional players with cheaper and shoddy product options but Vadilal, with its experience and expertise of over 8 decades of providing quality ice cream products, is well equipped to face such challenges. However, there are certain concerns like infrastructure and rising input costs, which the Company shall keep in mind.

b) Processed Food Division

The major concerns for the frozen food industry has been the same for over so many years, inadequate infrastructure, poor agricultural input management and semi-organized supply chain management have been the major bottle necks. Additionally increasing fuel puts an extra burden on the overall operational costs. The special requirement for transportation makes it even difficult to keep the costs low.

The frequent fluctuation of foreign currency, especially US Dollar with respect to Indian Rupee keeps the companies on worried every time.

Another major concern is the growing numbers of unorganized players from Indian and countries like China. These players are always focused on short term gains are only concerned about momentary sales. Hence, they disturb the market by offering rates that are below par as compared to market trends. This makes it difficult for the organized players to remain competitive in terms of rates despite of having far superior quality products.

6) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY.

In view of the management, the Company has adequate internal control systems for the business processes followed by the Company. The External and Internal Auditors carry out periodical reviews of the functioning and suggest changes if required. The Company has also a sound budgetary control system with frequent reviews of actual performance as against those budgeted.

The Audit Committee of the Board meets periodically to review various aspects of the performance of the Company and also reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them from time to time. The External Auditors also attend these meetings and convey their view on the business processes and also of the policies of financial disclosures. When found necessary, the Committee also gives suggestions on these matters.

7) HUMAN RESOURCES

The Company recognizes the important role that its employees need to play for the growth of various business activities. The human resource policies and processes of the Company are in line with this.

The Company has been maintaining cordial and healthy Industrial Relations, which has helped to a great extent in achieving the steady growth.

8) CAUTIONARY STATEMENT

The statements made and figures given in the various sections of "Management Discussion and Analysis" are keeping in mind the Company's objectives, estimates and expectations. The Actual results may differ from those expected depending upon the economic conditions, changes in Govt. Regulations, tax regimes and other external and internal factors.

ANNEXURE – C TO THE DIRECTORS' REPORT

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Sr. No.	Particulars	₹ in Lacs
1	Name of the subsidiary	Vadilal Industries (USA) Inc., (wholly owned subsidiary)
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2017
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiary	1 $ - Rs. 64.83
4	Share capital	136.41
5	Reserves & surplus	-230.67
6	Total assets	948.68
7	Total Liabilities	948.68
8	Investments	Nil
9	Turnover	1771.78
10	Profit / (Loss) before taxation	253.52
11	Provision for taxation	1.34
12	Profit / (Loss) after taxation	252.18
13	Proposed Dividend	Nil
14	% of shareholding	100.00%

Notes :

1. Names of subsidiaries which are yet to commence operations: - NA
2. Names of subsidiaries which have been liquidated or sold during the year. - NA

Part "B": Associates and Joint Ventures

The Company does not have any Associate or Joint Ventures as on 31-03-2017.

Notes :

1. Names of associates or joint ventures which are yet to commence operations - NA
2. Names of associates or joint ventures which have been liquidated or sold during the year. - NA

ANNEXURE – D TO THE DIRECTORS' REPORT

Report on Corporate Governance for the year ended on 31st March, 2017 (2016-2017) pursuant to Schedule – V of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

❖ **Brief statement on Company's philosophy on Code of Governance :-**

SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (hereinafter referred to as " SEBI(LODR) Regulations, 2015") envisages various compliances and disclosure requirements in terms of Corporate Governance. Further, Schedule – V read with regulation 34(3) and 53(f) of the SEBI (LODR) Regulation, 2015 the Annual Report of a listed entity shall contain various Additional Disclosures which includes Corporate Governance Report.

Over the past few years, the transition in the business environment, coupled with liberalisation and changing market conditions, has led to a fundamental shift in the management's approach to enhancing shareholder value. In this context, Corporate Governance has attained paramount importance for ensuring fairness, transparency, accountability and responsibility to all stakeholders.

The Company's philosophy on Corporate Governance is aimed at making the top management of the Company in the efficient conduct of its business and in making its obligation to Shareholders.

❖ **The Report on Corporate Governance is divided into ten parts :-**

1) Board of Directors,
2) Remuneration of Directors,
3) Committees of the Board,
4) General Body Meetings,
5) Means of Communication
6) General Shareholder information
7) Other Disclosures
8) Disclosure of Compliance with Corporate Governance Requirements
9) Non-compliance, if any, of requirement of Corporate Governance Report
10) Compliance of discretionary requirements

1) Board of Directors

(i) Composition and category of Directors :

The Board of the Company comprises Executive and Non-executive Directors. The majority Directors on the Board are Non-executive Directors. The day-to-day management of the Company is conducted by the Managing Directors of the Company, subject to the supervision, direction and control of the Board of Directors of the Company.

The Board of Directors of the Company as on 31-03-2017 consists the following 8 Directors, out of which, majority Directors are Non-executive Directors and one half of the total Directors are Independent Directors :-

	Category		Name of the Directors
A.	Promoters and Executive Directors	1	Mr. Rajesh R. Gandhi, Chairman & Managing Director
		2	Mr. Devanshu L. Gandhi, Managing Director
B.	Promoters, Non-executive and Non-Independent Directors	3	Mrs. Devalben D. Gandhi
		4	Mr. Kalpit R. Gandhi*
C.	Independent Directors	5	Mr. Malay Mahadevia
		6	Mr. Chetan Jamboli
		7	Mr. Jignesh Shah
		8	Mr. Vijay Shah

* Mr. Kalpit R. Gandhi is also Chief Financial Officer, Key Managerial Personnel, of the Company.

(ii) Number of Board Meetings held and the dates on which held :

The Board met 5 times during the year under review on 28-5-2016, 8-8-2016, 11-11-2016, 25-1-2017 and 9-2-2017. The gap between two Board Meetings did not exceed 120 days.

(iii) Attendance of each Director at the Board Meetings (5 Board Meetings) held during the year from 01-04-2016 to 31-03-2017, last Annual General Meeting (AGM) and number of Directorship and Chairmanship / Membership of Committee of each Director in various Companies as on 31-03-2017:

Name of Director	Attendance Particulars		No. of Directorships and Committee Membership/ Chairmanship (including Vadilal Industries Limited)		
	Board Meetings (5 Board Meetings)	Last AGM	Directorship*	Committee Membership **	Committee Chairmanship ** (Out of Committee Membership
Mr. Rajesh R. Gandhi	5	Yes	4	5	Nil
Mr. Devanshu L. Gandhi	5	Yes	3	5	Nil
Mrs. Deval D. Gandhi	5	Yes	2	Nil	Nil
Mr. Kalpit R. Gandhi	3	Yes	2	1	Nil
Mr. Kshitish M. Shah#	2	Yes	3	3	1
Mr. Rohit J. Patel#	2	Yes	3	5	3
Mr. Malay R. Mahadevia	3	No	2	2	Nil
Mr. Chetan M. Tamboli	4	No	2	2	1
Mr. Jignesh J. Shah##	2	NA	3	2	1
Mr. Vijay R. Shah##	2	NA	1	2	Nil

* This excludes Directorships held in Private/Foreign Companies and Companies incorporated under Section 8 of the Companies Act, 2013.

** Committees of Directors include Audit Committee and Stakeholders' Relationship Committee.

\# Ceased to be Directors of the Company w.e.f. 27-09-2016.

\#\# Appointed as Additional Directors of the Company w.e.f. 11-11-2016.

None of the Directors of the Company is a member of Board of more than 20 Companies and more than 10 Public Limited Companies, in terms of Section 165 of the Companies Act, 2013. None of the Directors is a member of more than 10 Board level Committees or a Chairman of more than 5 such Committees as required under Regulation 26(1) of SEBI (LODR) Regulation, 2015. The necessary disclosures regarding Committee positions have been made by the Directors.

(iv) Relationship between the Directors :-

- Mr. Kalpit R. Gandhi is the son of Mr. Rajesh R. Gandhi.
- Mrs. Devalben D. Gandhi is the spouse of Mr. Devanshu L. Gandhi.

None of the other directors are related to any other director on the Board.

(vi) Independent Directors :

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

Every Independent Director is abide by the provisions specified in Schedule – IV to the Companies Act, 2013 and Regulation 25 of the SEBI (LODR) Regulation, 2015 related to obligation of Independent Directors.

The policy decisions are considered by the Nomination and Remuneration Committee for appointment as Independent Director on the Board. The Board considers the committee's recommendation and takes appropriate action.

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel:

- To review the performance of non-independent directors and the Board as a whole.
- To review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors.
- To assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

(vi) Information supplied to the Board :-

The information in respect of the following matters, among others, are regularly placed before the Board of Directors:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board.
- The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial nonpayment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- Appointment, remuneration and resignation of Directors.
- Formation/reconstitution of Board Committees.
- Declaration of Independent Directors at the time of appointment/annually
- Disclosure of Directors' interest and their shareholding
- Appointment or removal of the Key Managerial Personnel
- Appointment of Internal Auditors and Secretarial Auditors
- Quarterly / Annual Secretarial Audit reports submitted by Secretarial Auditors
- Dividend declaration
- Quarterly summary of all long-term borrowings made, bank guarantees issued and loans and investments made

- Significant changes in accounting policies and internal controls
- Issue of securities including debentures
- Recommending appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee
- Internal Audit findings and External Audit Reports(through the Audit Committee)
- Proposals for major investments, mergers, amalgamations and reconstructions

The Board is routinely presented with all information required under Regulation 17(7) read with Schedule – II of the SEBI (LODR) Regulation, 2015 wherever applicable and materially significant. These are normally submitted as a part of the Agenda papers and circulated in advance to the Directors. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. Action taken report on the decision / minutes of the previous meeting is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee.

The Board evaluated its own performance and that of its committees and individual directors in terms of the provisions of Section 134(3)(p) of the Companies Act, 2013 and Regulation 17(10) read with Regulation 25(4) of the SEBI (LODR) Regulation, 2015.

2) Remuneration to all Directors:

The Policy on appointment and remuneration of Directors is enclosed with the Directors' report.

The aggregate value of salary, perquisites and other allowances paid including contribution towards Provident Fund to the two Managing Directors of the Company during the year ended on 31-03-2017 (i.e. from 01-04-2016 to 31-03-2017) are as follows:-

Amount (₹ in lacs)

Name of Managing Director	Salary	Perquisites/ Allowances	Commission	Contribution to PF	Total
Mr. Rajesh R. Gandhi	39.60	21.27	58.23	4.75	123.85
Mr. Devanshu L. Gandhi	39.60	21.24	58.23	4.75	123.82

Besides this, the above Managing Directors are also entitled to Superannuation or Annuity Fund, to the extent not taxable and Gratuity and encashment of Leave as per Rules of the Company.

The Company has not paid Bonus to the above Managing Directors of the Company for the financial year ended on 31-03-2017.

The Managing Directors are required to give 3 months' notice in writing to the Company to resign from the office of Managing Director. The Company does not have a scheme for grant of stock options either to the Managing Directors or Employees. None of the other Directors are paid remuneration except sitting fees for attending Board and Committee Meetings.

The Company has paid sitting fees to all Non-executive Directors of the Company for attending Board Meetings, as under, held during the year ended on 31-03-2017:

Sr. No.	Name of the Director	Amount in Rs. (including Service Tax)
1	Mrs. Deval D. Gandhi	100000
2	Mr. Kalpit R. Gandhi*	0
3	Mr. Kshitish M. Shah#	40000
4	Mr. Rohit J. Patel#	40000
5	Mr. Malay Mahadeviya*	0
6	Mr. Chetan M. Tamboli	80000
7	Mr. Jignesh J. Shah##	40000
8	Mr. Vijay R. Shah##	40000

* Mr. Kalpit R. Gandhi and Mr. Malay R. Mahadevia do not receive sitting fees for attending any meeting of the Board and any committee thereof.

\# Ceased to be Directors of the Company w.e.f. 27-09-2016.

\## Appointed as Directors of the Company w.e.f. 11-11-2016.

The Company has also paid sitting fees to the following Non-executive Directors of the Company for attending Audit Committee meetings, held during the year ended on 31-03-2017:-

Sr. No.	Name of the Director	Amount in Rs. (plus Service Tax)
1	Mr. Devanshu L. Gandhi	0
2	Mr. Kalpit R. Gandhi *	0
3	Mr. Rohit J. Patel#	25000
4	Mr. Kshitish M. Shah#	25000
5	Mr. Malay Mahadevia*	0
6	Mr. Chetan M. Tamboli	25000
7	Mr. Jignesh J. Shah	12500
8	Mr. Vijay R. Shah	12500

* Mr. Devanshu L. Gandhi, Mr. Kalpit R. Gandhi and Mr. Malay R. Mahadevia do not receive sitting fees for attending any meeting of the Board and any committee thereof.

Ceased to be Directors of the Company w.e.f. 27-09-2016.

Appointed as Directors of the Company w.e.f. 11-11-2016.

The Company has also paid sitting fees to the following Non-executive Directors of the Company for attending Nomination and Remuneration Committee meeting, held during the year ended on 31-03-2017 :-

Sr. No.	Name of the Director	Amount in Rs. (plus Service Tax)
1	Mr. Kshitish M. Shah#	0
2	Mr. Rohit J. Patel#	0
3	Mr. Malay Mahadevia*	0
4	Mr. Chetan M. Tamboli	20000
5	Mr. Jignesh J. Shah	10000
6	Mr. Vijay R. Shah	10000

* Mr. Malay R. Mahadevia does not receive sitting fees for attending any meeting of the Board and any committee thereof.

Ceased to be Directors of the Company w.e.f. 27-09-2016.

Appointed as Directors of the Company w.e.f. 11-11-2016.

The Non-executive Directors of the Company are also reimbursed the traveling and out-of-pocket expenses for attending such meetings.

Mrs. Devalben D. Gandhi is holding 59266 Equity Shares of the Company. Except the above, no other Non-executive Directors of the Company hold any shares in the Company.

There was no pecuniary relationship or transaction of Independent Directors with the Company.

3) Committees of the Board:

The Board of Directors of the Company has formulated the following committees in terms of the provisions of the SEBI (LODR) Regulation, 2015 and Companies Act, 2013 and Rules made thereunder :

(a) Audit Committee
(b) Nomination and Remuneration Committee
(c) Stakeholders' Relationship Committee
(d) Corporate Social Responsibility Committee

The composition and terms of reference of the said committees are as under :

(a) Audit Committee :

(i) Composition

As on 31-03-2017, there were 6 members of Audit Committee as under :-

Sr. No.	Name of the Member	Designation	Category
1	Mr. Chetan M. Tamboli	Chairman	Independent Director
2	Mr. Devanshu L. Gandhi	Member	Executive Director
3	Mr. Kalpit R. Gandhi	Member	Non-Executive and Non-independent Director
4	Mr. Malay Mahadevia	Member	Independent Director
5	Mr. Jignesh J. Shah	Member	Independent Director
6	Mr. Vijay R. Shah	Member	Independent Director

The Audit Committee was reconstituted on 9-2-2017.

The constitution of the Audit Committee fulfills the requirements of Regulation 18 of the SEBI (LODR) Regulation, 2015 and Section 177 of the Companies Act, 2013.The members of audit committee are financially literate and having accounting or related financial management expertise.

Mr. Rohit J. Patel, who was the Chairman of the Audit Committee, was present at the last Annual General Meeting of the Company held on 27-09-2016. All the queries related to financial results raised by the members present at the said meeting were duly replied.

Mrs. Ruchita Gurjar, who is a Company Secretary of the Company, is the Secretary to the Audit Committee.

(ii) Meeting and Attendance :

The Audit Committee met 4 times during the year under review on 28-5-2016, 8-8-2016, 11-11-2016 and 9-2-2017..

The presence of the Members of the aforesaid Audit Committee Meetings are as under :

Sr. No.	Name of the Director	No. of Audit Committee Meetings attended
1	Mr. Rohit J. Patel#	2
2	Mr. Kshitish M. Shah#	2
3	Mr. Kalpit R. Gandhi	3
4	Mr. Malay Mahadevia	3
5	Mr. Devanshu L. Gandhi	1
6	Mr. Chetam Tamboli	2
7	Mr. Jignesh J. Shah	1
8	Mr. Vijay R. Shah	1

Ceased to be Directors of the Company w.e.f. 27-09-2016.

The representative of the Statutory Auditors was present in all meetings of the Audit Committee. The Internal Auditors were also present in the meetings as and when called them. The Managing Directors of the Company were also generally invited to attend the Audit Committee meetings. The Minutes of the Audit Committee Meetings are placed before all Directors of the Company at the time of Board Meeting and are confirmed in the Board Meeting.

(iii) Terms of reference:

The terms of reference of the Audit Committee as stipulated by the Board at its meeting held on 29th May, 2015, are as under and they are in accordance with the provisions of Regulation 18 read with Part C of Schedule II of the SEBI (LODR) Regulation, 2015 and Section 177 of the Companies Act, 2013:

1. The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and the auditors' report thereon; Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions;
   g. Modified Opinions/Qualifications in the draft audit report
4. Approval or any subsequent modification of transactions of the company with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
9. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
10. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
11. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate."

(b) Nomination and Remuneration Committee :

(i) Composition

The erstwhile Remuneration Committee of the Directors of the Company was re-constituted and re-nomenclature as a *Nomination and Remuneration Committee*, at the meeting of Board of Directors held on 29th May, 2014, pursuant to the provisions of Regulation 19 read with Part D Schedule II of the SEBI (LODR) Regulation, 2015and Section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee comprises the following Directors of the Company, as on 31st March, 2017, namely:

Sr. No.	Name of the Member	Designation	Category
1	Mr. Malay Mahadevia	Chairman	Independent Director
2	Mr. Chetan M. Tamboli	Member	Independent Director
3	Mr. Vijay R. Shah	Member	Independent Director
4	Mr. Jignesh J. Shah	Member	Independent Director

The Nomination and Remuneration Committee was reconstituted on 9-2-2017.

The constitution of Nomination and Remuneration Committee fulfills the requirements of the Regulation 19 of the SEBI (LODR) Regulation, 2015 and Section 178 of the Companies Act, 2013. All members of the Nomination and Remuneration Committee are independent Directors of the Company.

(ii) Meeting and attendance:

The Nomination and Remuneration Committee normally meets for considering proposal related to appointment and/or remuneration of any Director or Key Managerial Personnel of the Company and for considering any other matter as may be specified under the terms of reference of the committee.

During the year under review, the Nomination and Remuneration Committee met 2 times on 11-11-2016 and 9-2-2017.

The presence of the Members of the aforesaid Nomination and Remuneration Committee Meetings are as under:

Sr. No.	Name of the Director	No. of Meetings attended.
1	Mr. Malay Mahadevia	2
2	Mr. Chetan M. Tamboli	2
3	Mr. Vijay R. Shah	1
4	Mr. Jignesh J. Shah	1

(iii) Terms of Reference:

Pursuant to Section 178 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) and Regulation 19 read with Part – D of Schedule – II of SEBI (LODR) Regulation, 2015, the role of the Nomination and Remuneration committee shall, *inter-alia*, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of the Board of Directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

(iv) Performance evaluation of all the Director and Key Managerial Personnel carried out by the Nomination and Remuneration Committee of the Company

(c) Stakeholders' Relationship Committee:

(i) Composition:

The erstwhile Share Transfer and Investors' Grievance Committee of the Directors of the Company was re-constituted and re-nomenclature as a *Stakeholders' Relationship Committee*, at the meeting of Board of Directors held on 29th May, 2014, pursuant to the provisions of Regulation 20 read with Part D of Schedule II of the SEBI (LODR) Regulation, 2015 and Section 178 of the Companies Act, 2013.

The Stakeholders' Relationship Committee comprises the following Directors of the Company, as on 31st March, 2017, namely:

Sr. No.	Name of the Member	Designation	Category
1	Mr. Jignesh J. Shah	Chairman	Independent Director
2	Mr. Rajesh R. Gandhi	Member	Executive Director
3	Mr. Devanshu L. Gandhi	Member	Executive Director
4	Mr. Vijay R. Shah	Member	Independent Director

The Stakeholders' Relationship Committee was re-constituted on 9-2-2017.

The constitution of Stakeholders' Relationship Committee fulfills the requirements of Regulation 20 read with Part D of Schedule II of the SEBI (LODR) Regulation, 2015 and Section 178 of the Companies Act, 2013.

The Committee, inter alia, approves the transfer of Shares, issue of duplicate Share Certificates, splitting and consolidation of Shares etc. The Committee also looks after redressal of Shareholder's complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividends, etc. The Board of Directors has delegated the power of approving transfer of Shares etc. to the Stakeholders' Relationship Committee.

(ii) No. of Shareholders complaints received and not solved to the satisfaction of the Shareholders:

The total number of complaints received and replied to the satisfaction of Shareholders during the year under review were as under :

No. of Complaints outstanding as on 31-03-2016 - 3
No. of complaints received during the year under review - 1
No. of complaints disposed off during the year under review - 4
No. of complaints outstanding as on 31-03-2017 - 0

(iii) Name and designation of Compliance Officer :

The Board has designated Mrs. Ruchita Gurjar, Dy. General Manager (Secretarial) and Company Secretary, as the Compliance Officer of the Company in terms of Regulation 6 and 20 of the SEBI (LODR) Regulation, 2015.

(c) Risk Management Committee :

The provisions of Regulation 21 of the SEBI (LODR) Regulation, 2015 regarding constitution of Risk Management Committee of the Directors are not applicable to the Company, as the company does not fall in the list of top 100 listed entities determined on the basis of market capitalization.

(d) Corporate Social Responsibility Committee :

(i) Composition :

In terms of provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, a committee of the Directors of the Company has been constituted as Corporate Social Responsibility Committee, comprising the following Directors:

1.	Mr. Vijay R. Shah	Chairman
2.	Mr. Devanshu L. Gandhi	Member
3.	Mr. Kalpit R. Gandhi	Member
4.	Mr. Jignesh J. Shah	Member

The constitution of the Corporate Social Responsibility Committee fulfills the requirements of Section 135 of the Companies Act, 2013.

(ii) Terms of Reference :

The Corporate Social Responsibility Committee shall,—

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
2. Recommend the amount of expenditure to be incurred on the activities referred to in clause (*a*);
3. Monitor the Corporate Social Responsibility Policy of the company from time to time and;
4. Institute a transparent mechanism for implementation of the CSR Projects or programs or activities undertaken by the Company.

(iii) Corporate Social Responsibility Policy:

The Corporate Social Responsibility Committee has formulated a policy on the measures to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013.

4) General Body Meetings:

(i) Location and Time for last 3 Annual General Meetings (AGM) were along with details of Special Resolution Passed:

Year	AGM	Location	Date	Time	Special Resolution Passed
2015-2016	32nd	GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad–380 006.	27-09-2016	3.00 p.m.	No special resolution.
2014-2015	31st	GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad–380 006.	28-09-2015	2.00 p.m.	1. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 2. To approve the Related Party Transactions under Section 188 of the Companies Act, 2013 and Rules made thereunder and Clause – 49 of the Listing Agreement
2013-2014	30th	GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad–380 006.	25-09-2014	2.00 p.m.	1. To re-appoint Mr. Rajesh R. Gandhi (DIN: 00009879) as a Managing Director designated as a "Chairman & Managing Director" for a period of 5 years and payment of remuneration for a period of 3 years 2. To re-appoint Mr. Devanshu L. Gandhi (DIN: 00010146) as a Managing Director designated as a "Chairman & Managing Director" for a period of 5 years and payment of remuneration for a period of 3 years 3. To confirm the borrowing limit of the Company not exceeding 275 Crores 4. To confirm creation of charge within the borrowing limit of the Company 5. To insert new Article in the Articles of Association relating to Chairperson of the Company 6. To alter Articles of Association by inserting new Article relating Inspection and copy of Register & Index of Members and Annual Return 7. To keep Register and Index of Members at other place (With Share Transfer Agent MCS Limited) 8. To accept Fixed Deposit from the members

(ii) Resolution carried out through Postal Ballot:

No postal ballots were used/invited for voting at the above meetings in respect of Special Resolutions passed in the above said meetings.

At the forthcoming 33rd AGM, no resolution is proposed to be passed through Postal Ballot.

5) Means of communication:

- **Annual Reports :**

The Company has total 12893 shareholders as on 31st March, 2017. The main channel of communication to the shareholders is through Annual Report, which includes inter alia, the Director's Report, Management Discussions & Analysis and Report on Corporate Governance and Audited Financial Results. The Annual Report is also posted on the web-site of the Company viz. www.vadilalgroup.com/reports.

- **Quarterly Results:**

The Unaudited Quarterly Results of the Company for the quarters ended on 30-06-2016 (1st Quarter), 30-09-2016 (2nd Quarter) and 31-12-2016 (3rd Quarter) and the Annual Audited Accounts for the year ended on 31-03-2017 including notes and segment wise revenue, results and capital employed and also the Consolidated Financial Results and half-yearly Statement of Assets and Liabilities and Limited Review Report thereon were submitted to the Stock Exchanges immediately after conclusion of the Board Meetings in which, they are approved by the Board.

The said results were published in the newspapers of Ahmedabad edition, namely, Indian Express (English) and Financial Express (Gujarati). The said results including Notes and Segment wise revenue, results and capital employed are displayed on the corporate website of the Company viz. www.vadilalgroup.com/reports.

- **Company's Web-site :**

The website of the Company viz. www.vadilalgroup.com has an exhaustive investor-relations section. It contains comprehensive guidelines and procedure for the investors. It also contains all statutory disclosures required to be placed under the provisions of various statute.

- **NSE Electronic Application Processing System (NEAPS):**

The NEAPS www.connect2nse.com/LISTING/is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

- **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):**

BSE's Listing Centre viz. www.listing.bseindia.comis a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

- **SEBI Complaints Redress System (SCORES):**

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

- **Designated Exclusive email-id:**

The Company has designated email-id viz. shareslogs@vadilalgroup.com exclusively for resolving investor grievance.

6) General Shareholder' information:

(i) Annual General Meeting, i.e. next AGM

- Date & Time : Friday, 29th September, 2017 at 4.00 P.M.
- Venue : GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006.

(ii) Financial Calendar (from 01-04-2017 to 31-03-2018) (Tentative) :

- Results for quarter ended on 30-06-2017 : On or before 14th September, 2017
- Results for quarter ending on 30-09-2017 : On or before 14th December, 2017
- Results for quarter ending on 31-12-2017 : On or before 14th February, 2018
- Audited Results for the year ending on 31-03-2018 : On or before 30th May, 2018
- AGM for the year ending on 31-03-2018 : In the month of September, 2018

(iii) Book-closure date :

Book-closure shall be from 16th September, 2017 to 29th September, 2017 (both days inclusive) for the purpose of payment of dividend on Equity Shares for the year ended on 31st March, 2017.

(iv) Dividend payment date :

The Dividend of Rs. 1.25 per share (@ 12.50%) on Equity Shares for the year ended on 31st March, 2017, if approved and declared, will be paid within the prescribed time limit.

(v) Listing of Equity Shares on Stock Exchanges at -

The Company's shares are listed at the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

- BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001
  Phone: 91-22-2272 1234 / 1233
- The National Stock Exchange of India Ltd.
  Exchange Plaza, Plot no. C/1, G Block,
  Bandra-Kurla Complex
  Bandra (E), Mumbai - 400 051
  Phone: 91-22-26598100/8114

Listing fees upto the Financial Year –2017-2018 has already been paid to the above Stock Exchanges. The Annual Custody/Issuer fee for the year –2017-2018 has also been paid by the Company to NSDL and CDSL.

(vi) Security Code No. :

- BSE Limited : 519156
- National Stock Exchange of (India) Limited : VADILALIND-EQ
- ISIN No. of NSDL & CDSL for demat of Equity Shares : INE694D01016

(vii) Stock Market Data :

The monthly High, Low and Closing Prices of Shares of the Company at BSE Limited, (BSE) and National Stock Exchange of India Limited (NSE), for the year under review are as under:

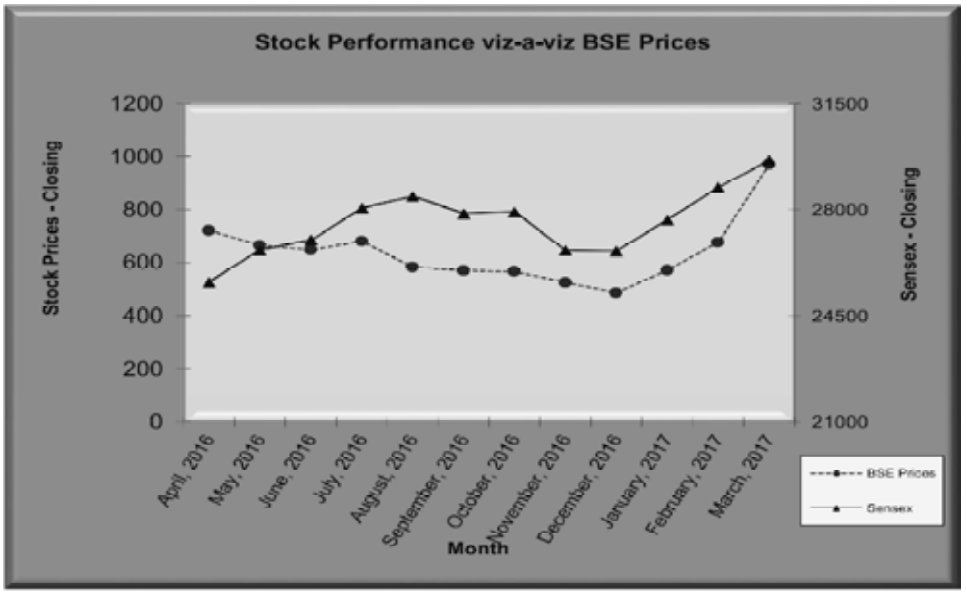
Months	B S E			N S E		
	High (₹)	Low (₹)	Volume No. of Shares	High (₹)	Low (₹)	Volume No. of Shares
April, 2016	766.00	634.50	780568	764.00	635.00	3901706
May, 2016	740.00	630.00	414883	740.00	628.15	1804882
June, 2016	712.80	542.75	218621	712.00	539.70	1260825
July, 2016	713.00	630.00	116437	717.85	630.00	731335
August, 2016	690.00	574.00	99875	684.70	534.60	596291
September, 2016	631.55	556.00	75759	630.85	555.00	515434
October, 2016	608.90	560.00	37700	610.00	560.00	377097
November, 2016	570.00	450.00	33714	574.50	440.50	191179
December, 2016	568.35	480.00	73561	567.70	478.65	184760
January, 2017	614.00	485.00	83635	613.80	481.10	519775
February, 2017	710.00	561.00	241521	708.35	562.10	1201623
March, 2017	987.00	670.00	1467726	987.00	673.00	7208385

(viii) Vadilal Industries Limited BSE Share Price versus the BSE Sensex :

Market - Price data : The monthly closing prices of the shares of the Company, during the financial year under review and performance of the same in comparison to BSE Sensex are given below :

Months	BSE Closing (₹)	SENSEX 13 Closing (₹)
April, 2016	721.75	25606.62
May, 2016	665.45	26667.96
June, 2016	648.05	26999.72
July, 2016	681.35	28051.86
August, 2016	582.60	28452.17
September, 2016	570.05	27865.96
October, 2016	566.70	27930.21
November, 2016	525.65	26652.81
December, 2016	486.90	26626.46
January, 2017	571.90	27655.96
February, 2017	677.35	28743.32
March, 2017	971.35	29620.50

Price Chart:

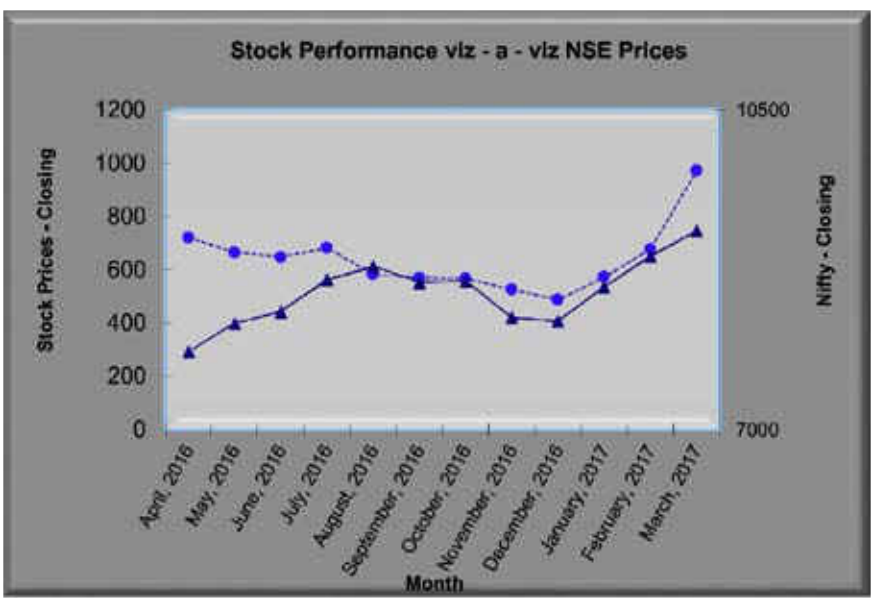


(ix) Vadilal Industries Limited NSE Share Price versus the NSE NIFTY

Market - Price data : The monthly closing prices of the shares of the Company, during the financial year under review and performance of the same in comparison to NSE Nifty are given below :

Months	NSE Closing (₹)	Nifty Closing (₹)
April, 2016	720.50	7849.80
May, 2016	663.75	8160.10
June, 2016	648.10	8287.75
July, 2016	682.05	8638.50
August, 2016	582.10	8786.20
September, 2016	567.60	8611.15
October, 2016	569.85	8625.70
November, 2016	525.05	8224.50
December, 2016	485.75	8185.80
January, 2017	574.80	8561.30
February, 2017	676.85	8896.70
March, 2017	972.70	9173.75

Price Chart:



(x) Registrar and Transfer Agent:

In terms of SEBI Circular No. D&CC/FITTC/CIR-15/2002, dated 27-12-2002, the Company has assigned all work related to Share Registry in terms of both physical and electronic to MCS Share Transfer Agent Ltd., Ahmedabad, by entering into an Agreement with the said R&T Agent to that effect. Hence, all Shareholders are requested to send/deliver the documents/correspondence including complaints relating to the Company's share transfer/demat/remat activity to

MCS Share Transfer Agent Ltd. 201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-380 009.

(xi) Share Transfer system:

Presently, the requests for share transfer, which are received by the Company or its Registrar & Share Transfer Agent, in physical form, from the shareholders, are processed and the share certificates are returned to the shareholders, within a period of 15/30 days from the date of receipt of such request for transfer, subject to the documents being valid and complete in all respects. The Share Transfer & Investors' Grievance Committee of the Company, normally meets twice a month to approve the transfer, issue of duplicate share certificates, consolidation and splitting of shares etc.

(xii) Share Reconciliation Audit:

Mr. Ashish C. Doshi, a practicing Company Secretary carried out Share Reconciliation audit of first 3 quarter and PRT & Associates has carried out audit of last quarter in the Financial Year –2016-2017, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit reports confirm that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with depositories.

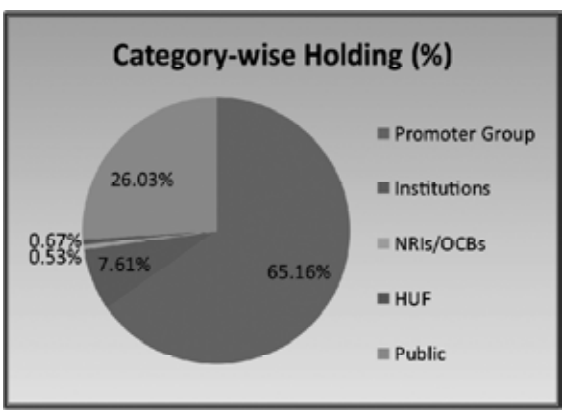
Pursuant to SEBI Cir. D&CC/FITTC/CIR-16/2002 dated December, 2002 , certificates, on half-yearly basis, have been issued by a Practicing Company Secretary for due compliance of share transfer formalities by the Company.

(xiii) Shareholding Details:

(a) Distribution of Shareholding as on 31st March, 2017:

No. of Equity Shares held	No. of Share holders	No. of Shares	% of Share Holding
1-500	12409	797463	11.09
501-1000	221	171558	2.39
1001-2000	131	194603	2.71
2001-3000	44	112496	1.57
3001-4000	17	60971	0.85
4001-5000	11	51186	0.71
5001-10000	27	201210	2.80
10001- 50000	18	328423	4.57
50001-100000	2	121227	1.69
100001 & above	13	5148693	71.63
Total:	**12893**	**7187830**	**100.00**

(b) Categories of Shareholders as on 31st March, 2017:



Category of Shareholder	No. of Equity Shares held	% to total Paid-up Capital
A : Promoters and Promoters' Group :		
Directors and Relatives	1083799	15.08
Group Companies	3413175	47.49
HUFs	186351	2.58
Total (A) :	**4683325**	**65.16**
B : Public :		
Institutions	546984	7.61
NRIs/OCBs	38198	0.53
HUF	48167	0.67
Public	1871156	26.03
Total (B) :	**2504505**	**34.84**
Total	**7187830**	**100.00**

(xiv) Dematerialisation of Shares :

The Company, consequent to introduction of Depository System (DS), has established an electronic connectivity with NSDL & CDSL, Depositories. Members, therefore, have the option of holding and dealing in the shares of the Company in electronic form through NSDL and CDSL. In view of the numerous advantages offered by the DS, members are requested to avail the facility of dematerialisation of the Company's shares on either of the Depositories as aforesaid.

If you wish to maintain your shareholding in the electronic form by joining DS, you will have to open an account with a Depository Participant (DP), who are agents of NSDL or CDSL and lodge your share certificates with your DP for

Dematerialisation. The DP will then ensure that the physical share certificates are cancelled and after verification by the Company, an equivalent number of shares will be credited to your account with the DP in the electronic form. You are also permitted under the DS to reconvert your electronic shareholding into the physical form of share certificates by a process of Rematerialisation. It may be noted that the DP would charge the investors for its services, which may vary from one DP to another.

It is reiterated that requests for Dematerialisation and Rematerialisation are to be made only to the DP with whom you have opened an account and not directly to the Company or its Registrar & Share Transfer Agent.

Total 6800183 Equity Shares of the Company representing 94.61% of the total paid-up capital of the Company have been dematerialisedupto 31-03-2017. Trading in Equity Shares of the Company is permitted only in dematerialised form as per notification issued by SEBI.

(xv) Dividend History for last 10 years :

Financial year	Dividend Per Share (Rs.)
2006-07	1.20
2007-08	1.20
2008-09	1.20
2009-10	1.50
2010-11	1.50
2011-12	1.50
2012-13	1.50
2013-14	1.00
2014-15	1.00
2015-16	1.25

(xvi) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on Equity :

Not Applicable

(xvii)Plant locations :

A. Ice-cream Division : 1) Village Pundhra, Taluka Mansa, Dist. Gandhinagar (Gujarat)
2) Parsakhera Industrial Area, Bareilly, Uttar Pradesh.

B. Processed Food Division : Dharampur, Dist. Valsad (Gujarat)

C. Forex Division : Vadilal House, Navrangpura, Ahmedabad (Gujarat)

(xviii) Investor Correspondence:

For transfer and dematerialisation of shares, payment of dividend on shares and interest and redemption on debentures and any other query relating to the shares of the Company :-

1) MCS Share Transfer Agent Limited, (Unit : Vadilal Industries Limited), 201, 2nd Floor, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009. Tel. Nos. : (079) 26580461/462/463, Fax No. : (079) 26584027

2) Secretarial & Share Department, 10th Floor, Colonnade Building, Opp. Iscon Temple BRTS Bus Stand, Ambli-Bopal Road, Ahmedabad-380015.
Contact person : Mrs. Ruchita Gurjar, Company Secretary
Tel. Nos. : (079) 30921200

3) E-mail ID for investors' grievance purpose : shareslogs@vadilalgroup.com

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

(xix) Amalgamation of Vadilal Financial Services Ltd. with Vadilal Industries Limited - Exchange of Share Certificates :

Vadilal Financial Services Ltd. (VFSL), which was a Subsidiary Company, was amalgamated with Vadilal Industries Limited (VIL) w.e.f. 1st April, 1997. It is observed that some of the members of VFSL have still not exchanged their Share Certificates for new Shares of VIL on amalgamation of VFSL with VIL. As the Share Certificates of VFSL are no longer valid, concerned Shareholders are requested to surrender their Share Certificates of VFSL at the Registered Office of the Company to enable them to get new Shares of VIL in the ratio of 1:4.

(xx) Nomination facility:

Your Company has already offered the facility of nomination to the members. Individual Shareholders can avail of the facility of nomination and may submit to the Company the prescribed SH-13 **at the Share Department** of the Company. It is advisable to avail of this facility especially by Shareholders who currently hold Shares in single name. In case of any assistance, please contract **at the Share Department** of the Company at 10th Floor, Colonnade Building, Opp. Iscon Temple BRTS Bus Stand, Ambli-Bopal Road, Ahmedabad-380015, Phone : 079-30921200.

7) Other Disclosures:

(i) Related party transactions:

Transaction with related parties are disclosed in Note No. 28.3 of the Notes on Accounts for the year ended on 31st March, 2017, in the Annual Report as required by the Accounting Standard (AS) 18 issued by ICAI.

The details of Related party transactions made by the Company during the year under review are mentioned in the Directors' Report.

However, there are no materially significant related party transactions made by the Company with its promoters, directors or the management or their subsidiaries etc. that may have potential conflict with the interests of the Company at large.

The Independent Directors, who apart from receiving sitting fees for attending Board Meetings and Committee Meetings, do not have any other material pecuniary relationship or transactions with the company, its promoters, its management or its subsidiary, which in the judgment of the Board may affect independence of the judgment of the Directors.

The Directors regularly make full disclosures to the Board of Directors regarding nature of their interest in the Companies in which they are Directors or Members. Full particulars of contract entered with the Companies / Partnership Firms, in which the Directors are directly or indirectly concerned or interested are entered in the Register of Contract maintained under Section 189 of the Companies Act, 2013 and the same is placed in every Board Meeting for the noting and signature of the Directors.

The policy on related party transaction is placed on the company website at www.vadilalgroup.com

(ii) During the last three years, there were no strictures or penalties imposed on the Company by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

(iii) Risk Management :

Business risk evaluation and management is an ongoing process within the Company. During the year under review, the Board of Directors has reviewed frequently the risk assessment and minimisation procedure adopted by the Company covering the business operations of the Company.

(iv) CEO/CFO Certification :

In terms of Regulation 17(8) read with Part – B of Schedule – II of the SEBI (LODR) Regulation, 2015 the Certification by CEO and CFO on the financial statements and internal controls relating to financial reporting of the Company has been obtained and is a part of the Annual Report.

(v) Management:

The Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this report.

Pursuant to the provisions of Regulation 26(5) of the SEBI (LODR) Regulation, 2015 the Senior Management has made disclosures to the Board that during the year ended on 31st March, 2017, they have not entered into any material financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company.

(vi) Code of Conduct :

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management Personnel. The said Code has been communicated to all the Directors and members of Senior Management. They have also affirmed to the Company about the compliance of the said Code during the Financial Year ended on 31st March, 2017. The Code has also been posted on the Company's website - www.vadilalgroup.com The Certificate received from Managing Directors of the Company, affirming compliance of the said Code of Conduct by all the Board Members and the Senior Management Personnel is annexed separately to this Report.

(vii) Whistle Blower policy / Vigil Mechanism:

The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report any act of serious misconduct or wrongful activity being occurred or suspected to occur within the organization, to his immediate HOD or the HR Head or directly to the concern Managing Director of the Company, as he may desire. No employee of the Company is denied access to the Audit Committee.

(viii) Policy on Directors' appointment and remuneration:

The Policy on Directors' appointment and remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors is enclosed with the Directors' report and marked as "Annexure - F".

(ix) Policy on determining 'material' subsidiary:

The Company has prepared policy on determining 'material' subsidiary pursuant to regulation 16 of the SEBI (LODR) Regulation, 2015 were criteria for determining material subsidiary has been clearly specified

The policy on the same has been placed on the company website at www.vadilalgroup.com

(x) Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations, 2015:

The Company has formulated Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders including therein Code of Conduct for fair disclosures of price sensitive information of the Company, in terms of provisions of SEBI (Prohibition of Insider Trading) Regulation, 2015. The same has also been published on the web-site of the Company viz. www.vadilalgroup.com.

8) Disclosure of Compliance with Corporate Governance requirements:

The Company has duly complied with the Corporate Governance requirements as specified in Regulation 17 to 27 of and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulation, 2015.

9) Non-Compliance, if any, of requirements of Corporate Governance Report:

There is no instance of non-compliance of any requirement of corporate governance report as specified in sub-paras (2) to (10) of Part C of Schedule – V of the SEBI (LODR) Regulation, 2015.

10) Compliance of discretionary requirements:

The Company has not adopted the following non-mandatory/discretionary requirements as per Part E of Schedule – II of the SEBI (LODR) Regulation, 2015 regarding Corporate Governance:-

1. The Company does not have any non-executive chairman.
2. Half-yearly declaration of financial performance and summary of significant events in last six months has not been sent to each shareholder of the Company.
3. The Company has not appointed separate post for Chairman and Managing Director.
4. The Internal Auditor reports to Chairman and Managing Director. However, the Internal Auditor provides quarterly Internal Audit Report directly to the Audit Committee for their review.

❖ **Compliance Certificate of the Auditors :**

The Certificate from the Company's Auditors, M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad, confirming compliance with conditions of Corporate Governance as stipulated under SEBI (LODR) Regulation, 2015 , is attached to this Report.

Certificate by Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

[As per Schedule II, Part B read with Regulation 17(8) of SEBI (Listing Obligation and Disclosure RequirementS) RegulationS, 2015]

We the undersigned, certify that:

(a) We have reviewed financial statements and the cash flow statement of Vadilal Industries Limited for the year ended 31st March, 2017 that to the best of their knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which We are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee

1. That there Significant changes in internal control over financial reporting during the year;
2. That there were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. That there were no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Kalpit Gandhi	Rajesh R. Gandhi
Chief Financial Officer	Chairman & Managing Director

Place: Ahmedabad

Date: 26th August, 2017

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirement of the Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 regarding Corporate Governance, we hereby confirm that all Board Members and Senior Management Personnel of Vadilal Industries Limited have affirmed the compliance of Code of Business Conduct and Ethics during the year ended on 31st March, 2017.

By order of the Board of Directors

RAJESH R. GANDHI
Chairman and Managing Director
DIN : 00009879

Place : Ahmedabad
Date : 26th August, 2017

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Members of
Vadilal Industries Limited
Ahmedabad

We have examined the compliance of conditions of Corporate Governance by Vadilal Industries Limited ('the company'), for the year ended on 31st March 2017, as stipulated in Regulation 17 to 27 and clause (b) to (i) of the regulation 46(2) and paragraph C, 0 and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Managements' Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility also includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditors' Responsibility

Our responsibility is limited to examining the procedure and implementation thereof, adopted by the company for ensuring the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the company.

Pursuant to the requirement of Listing Regulations, it is our responsibility to provide reasonable assurance whether the company has complied with the conditions of Corporate Governances stipulated in Listing Regulations for the year ended 31lt March 2017.

We conducted our examination in accordance with the Guidance note on Reports or Certificates for special purposes and the Guidance Note on certification of Corporate Governance both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on- Reports or Certificates for special purposes required that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

in our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

This Certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For, KANTILAL PATEL & CO.,
Chartered Accountants
Firm Registration No. 104744W

Date: 26th August,2017
Place: Ahmedabad

Mayank S Shah
Partner
Membership No.:044922

ANNEXURE – E TO THE DIRECTORS' REPORT

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis. : **NIL**
2. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Vadilal Enterprises Limited (VEL), a Public Company in which Directors are Directors and holding more than 2% shares alongwith relatives.
b)	Nature of contracts/ arrangements/ transaction	Agreement between VIL and VEL to sell Ice-cream, Frozen Desserts, Flavoured Milk and other Milk and Dairy products and Processed Food Products by VIL to VEL.
c)	Duration of the contracts/ arrangements/transaction	Agreement executed on 29.09.2017, which is valid for a period of 10 years w.e.f. 1st October, 2017.
d)	Salient terms of the contracts or arrangements or transactionincluding the value, if any	- Sale of Ice-cream, Frozen Desert, Flavoured Milk and other Milk and Dairy products and Processed Food Procuts by VIL to VEL on Principal to Principal basis and on credit basis. All matters related to marketing including marketing expenses will be decided and born by VEL. - Payment shall be made by VEL within 180 days from the last date of month in which the Company has supplied the products to VEL. VEL shall be liable to pay interest @15% at the discretion of the Company on all outstanding amount due to the Company, beyond the said credit period of 180 days
e)	Date of approval by the Board	8-8-2016 and at every quarterly Audit Committee Meetings.
f)	Amount paid as advances, if any	No.

ANNEXURE – F TO THE DIRECTORS' REPORT

NOMINATION AND REMUNERATION POLICY OF VADILAL INDUSTRIES LIMITED

Introduction:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

Objective and purpose of the Policy:

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the Ice-cream industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee at its meeting held on 14th August, 2014 and adopted by the Board of Directors at its meeting held on 14th August, 2014.

Effective Date:

This policy shall be effective from 14th August, 2014 and revised on 13th August, 2015.

Constitution of the Nomination and Remuneration Committee:

The Board has changed the nomenclature of the existing Remuneration Committee of the Company by renaming it as Nomination and Remuneration Committee on 29th May, 2014 and by re-constituting it as per the criteria laid down under Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee comprises of following Directors (Reconstituted on 9-2-2017):

Sr. No.	Name of the Member	Designation	Category
1	Mr. Malay Mahadevia	Chairman	Independent Director
2	Mr. Chetan M. Tamboli	Member	Independent Director
3	Mr. Jignesh J. Shah	Member	Independent Director
4	Mr. Vijay R. Shah	Member	Independent Director

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

Definitions:

1. Board means Board of Directors of the Company.
2. Directors mean Directors of the Company.
3. Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
4. Company means Vadilal Industries Limited.
5. Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
6. Key Managerial Personnel (KMP) means -
   (i) Chief Executive Officer and / or Managing Director;
   (ii) Whole-time Director;
   (iii) Chief Financial Officer;
   (iv) Company Secretary;
   (v) Such other officer as may be prescribed under the applicable statutory provisions /regulations.
7. Senior Management means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Vice President including Vice President of any unit / division of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability:

The Policy is applicable to :

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

General:

- This Policy is divided in four parts: Part – A covers the matters to be dealt with and recommended by the Committee to the Board, Part – B covers the appointment and nomination, Part – C covers remuneration and perquisites etc. Part – D Succession Plan for the Board
- The key features of this Company's policy shall be included in the Board's Report.

PART – A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE:

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

PART – B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT:

- **Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- **Term / Tenure:**

1. **Managing Director/Whole-time Director:**
   The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. **Independent Director:**
   An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- **Evaluation:**

  The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

- **Removal:**

  Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations and due to reasons of any fraud, mis-appropriation, cheating, siphoning away of funds, breach of duty, breach of trust, mis-management, financial or other irregularities found in the Company, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

  The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

PART – C

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

- **General:**

1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director. Increments will be effective from 1st October in respect of a Whole-time Director and 1st April in respect of other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- **Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

1. **Fixed pay:**

   The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break -up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. **Minimum Remuneration:**

   If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. **Provisions for excess remuneration:**

   If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

- **Remuneration to Non- Executive / Independent Director:**

1. **Remuneration / Commission:**

   The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

2. **Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. **Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. **Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

PART – D

Succession Plan for Appointment of Board of Directors and Senior Management

The Securities and Exchange Board of India (SEBI) revised the Code of Corporate Governance for listed companies and under regulation 17 (4) of SEBI (Listing Obligation and Disclosure Requirement), 2015 it has been mandatory for Board to ensure that proper succession plan for appointment of board of director and senior management is in place.

The Board of Director has authorized Nomination and Remuneration Committee for preparing succession plan for appointment of Board of Director and Senior Management.

Nomination and Remuneration Committee has prepared Succession plan for appointment of Board of Director and Senior Management as follows:

Applicability of Succession Plan

1. Managing Director & CEO and other Board of Directors;
2. Chief Financial Officer
3. Company Secretary

Succession Plan for Director and Senior Management

The Nomination Committee shall periodically review and consider the list of senior managerial personnel due for retirement/ attrition within the year. The Committee shall also consider the new vacancies that may arise because of business needs. Considering the above, the Committee shall assess the availability of suitable candidates for the Company's future growth and development. Further, based on the recommendation of the Managing Director & CEO and Head – Human Resources, the Nomination and Remuneration Committee:-

1. Shall evaluate the incumbent after considering all relevant criteria like experience, age, health, leadership quality etc. and recommend to the Board whether the concerned individual (i) be granted an extension in term/service or (ii) be replaced with an identified internal or external candidates.
2. Shall identify the competency requirements of Board/key positions, assess potential candidates and develop required competency through planned development and learning Initiatives. The Committee may utilize the services of professional search firms to assist in identifying and evaluating potential candidates.
3. May recommend to the Board to appoint other suitable external candidate(s) as special recruitment in senior managerial level based on job roles and competency in order to provide a continuous flow of talented people to meet the organizational needs.

Review of the Policy

In case of any amendment (s), clarification (s), circular (s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Policy and this Policy shall stand amended accordingly.

The Board has the power to replace this Policy entirely with a new policy on recommendation by the Nomination Committee.

ANNEXURE – G TO THE DIRECTORS' REPORT

[Information under Section 134(3)(m) of the Companies Act, 2013 and Rules made thereunder and forming part of the Directors' Report for the year ended on 31st March, 2017]

A) **CONSERVATION OF ENERGY**

a) **The steps taken or impact on conservation of energy and the steps taken by the company for utilising alternate sources of energy**:

Ice-cream Division :

In order to reduce the cost of production, save consumption of energy and increase the productivity, the Company has taken several measures which mainly include the following:

- Installed Fire Alarm System in Pundhra Factory to minimize risk of fire.
- Installed VFD drive in all cold room fans of Pundhra Factory, whereby the Company save huge power.
- Last year, the Company had installed chocolate making machine in Pundhra Factory. This year, the company has purchased higher capacity machine.
- Installed new extrusion line in Pundhra Factory to increase the capacity of production.
- Installation of new Product-in-Product Line having more capacity In Pundhra Factiry is in process.
- The Company planted and ordered water treatment plant and will be operative in next year. This will improve our water quality which in turn improve our ice-cream quality.

- Installed blast freezer in Pundhra Factory for making Paneer.
- Installed Second Line of Mix Preparation at Pundhra Factory.

Processed Food Division:

So far as Processed Foods Division is concerned, the Company has taken the following measures towards conservation of energy and technology updates :

- During the year under review, the Company has installed Samosa Patti sheeter at Dharampur Factory and hence, reduced the man-power and improved the quality of product.
- The Company has installed Chapatti machine at the Dharampur Factory to improve the quality and reduce the man power.

b) Capital investments on energy conservation equipments:

Ice-cream Division :

- The Company is planning to install desuperheater for heat recovery from discharge gas of refrigeration plant and will be used for hot water generation.
- The Company is planning install oil storage tanks to increase the storage capacity of oil and to reduce raw material cost.
- The construction of new primary and secondary clarifier is going on to increase the capacity of ETP Plant and to get result of treated effluent as per GPCB norms

Processed Food Division:

- The Company is planning to install Spiral freezer for RTE product at Dharampur Factory, to improve the quality and reduce the manpower.
- HVAC system to be installed for comfort atmosphere at work place to increase the productivity.
- Check Weigher to be installed to cross check the final product weight to reduce the market complaint.
- Kitchen to be expanded to increase the production.
- Anti-rooms for all cold store are proposed to avoid ice formation and energy saving.
- For movement of Finished Goods from packing to dispatch cold store and from cold store to container, conveyors to be installed to minimize the manual handling, damage of the product and temperature loss.
- Cooling conveyor for paratha cooling to be installed to minimize the product damage.
- Tooty fruity production to be started to supply this to our ice cream plant in order to reduce the cost.
- Pallet Stretch wrapping machine to be installed to increase the capacity, so that container will be loaded in short time to reduce product temp loss.

c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :

Ice-cream Division

- By installing higher capacity chocolate machine, our raw material cost goes down.
- Increase in capacity and new product feed in the market.
- Quality of the finished goods will be improved.
- The above steps taken by the Company will lead to Cost saving and savings in energy.

Processed Food Division

- The measures listed in above (a) and (b) would result in energy saving, increase in production rate, improvement in quality and avoiding in production break-down due to power-off.

B) <u>TECHNOLOGY ABSORPTION</u>

a) **Efforts in brief, made towards technology absorption, adaptation and innovation** :

» The Company has saved Rs. 15.00 lacs from Bio Gas Power Genration.

» The Company has saved Rs. 27.00 lacs by purchasing power from Open Access.

b) **Benefits derived as a result of the above efforts** :

As per A (b) above.

c) **In case of Imported technology (imported during last five years reckoned from the beginning of the financial year) following information to be furnished** :

The Company has not imported any technology hence, the questionnaire is not applicable.

d) The expenditure incurred on Research and Development :

During the year under review, the Company has incurred expenditure of Rs. 25.27 lakhs towards Research of Development.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

As against Foreign Exchange Earnings of Rs. 3620.79 lacs for the previous year ended on 31st March, 2016, the Company has earned Foreign Exchange of Rs. 4170.33 lacs for Export of Goods on FOB value for the year ended on 31st March, 2017.

As against Foreign Exchange Outgo of Rs. 792.14 lacs for the previous year, the Outgo during the year under review was Rs. 1303.21 lacs.

ANNEXURE- H TO DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year – 2016-2017

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	Refer Section on Corporate Social Responsibility in Directors' Report
2.	Composition of CSR Committee	1. Mr. Vijay R. Shah – Chairman 2. Mr. Rajesh R. Gandhi 3. Mr. Devanshu L. Gandhi 4. Mr. Jignesh J. Shah
3.	Average net profit of the Company for last three financial years	Rs. 1204.49 lakhs
4.	Prescribed CSR expenditure(two percent of the amount mentioned in item 2 above)	Rs. 24.09 lakhs
5.	Details of CSR spent during the financial year: a. Total amount spent for the financial year b. Amount unspent, if any c. Manner in which the amount spent during the financial year	 Rs. 12.88 lakhs Rs. 11.21 lakhs Providing Medical Aid to the Villagers near Pundhra Factory of the Company

DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2016-2017 :

1	2	3	4	5	6	7	8
Sr. No.	CSR projector ActivityIdentified	Sector in whichthe project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)	Project of Program(1) Local Area or Other(2) Specify the State and district where projectsor programs was undertaken	Amount Outlay (Budget) Project or Programwise (₹ in crore)	on the Projectsor Programs Sub Heads: (1) Direct Expenditureon Projects or Programs (2)Overheads (₹ in lakhs)	Cumulative Expenditure upto the reporting period i.e. FY 2016-2017 (₹ in lakhs)	Amount Spent Director through Implementing Agency
1	Providing Medical Aid to the Villagers near Pundhra Factory of the Company	Clause (i) of Schedule VII Promoting healthcare	Pundhra Village, Taluka : Mansa, Dist. Gandhinagar, State : Gujarat	As per requirement of CSR expenditure	Rs. 12.88	Rs. 12.88	Through Trust
				NIL			

REASONS FOR NOT SPENDING THE TWO PER CENT OF THE AVERAGE NET PROFIT OF THE LAST THREE FINANCIAL YEARS OR ANY PART THEREOF:

Since, the Company was evaluating the local situation and possible options to initiate Corporate Social Responsibilities activities near Dharampur and Bareilly factory of the Company and the project is under design , the Company could not spent sufficient amount towards Corporate Social Responsibility during the year – 2016-2017, as required. The Directors ensure that the Company will spend sufficient amount towards Corporate Social responsibility in the next financial year.

RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility and Governance (CSR&G) Committee of the Board of Directors of the Company, is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.'

RAJESH R. GANDHI
CHAIRMAN & MANAGING DIRECTOR
VADILAL INDUSTRIES LIMITED

VIJAY R. SHAH
CHAIRMAN OF CSR COMMITTEE
VADILAL INDUSTRIES LIMITED

Date :.26th August, 2017.
Place : Ahmedabad.

Annexure – I to the Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 ofThe Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
VADILAL INDUSTRIES LIMITED
Regd. Off : Vadilal House , 53 Shrimali Society
Nr. Navrangpura Police Station, Navrangpura,
Ahmedabad-380009

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Vadilal Industries Limited** (CIN: L91110GJ1982PLC005169) (hereinafter called '**the Company'**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of yearly secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on **31st March, 2017** ('**Audit Period'**) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:

i. The Companies Act, 2013 ('**the Act'**) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings *(Not Applicable to the Company during the Audit period)*;

v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act')**: -

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 *(Not Applicable to the Company during the Audit period)*;

   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 *(Not Applicable to the Company during the Audit period);*

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *(Not Applicable to the Company during the Audit period)*;

   f) The Securities and Exchange Board of India (Registrar to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 *(Not Applicable to the Company during the Audit period)*; and

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 *(Not Applicable to the Company during the Audit period).*

vi. We report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

   a. Prevention of Food Adulteration Act, 1954 and rules and regulations made thereunder ;

   b. Food Safety and Standards Act, 2006 and rules and regulations made thereunder ;

   c. The Standards of Weights and Measurers Act, 1976 and Standards of Weights and Measurers (Packaged Commodities) Rules, 1977 and other rules and regulations made thereunder ;

   d. Legal Metrology Act, 2009 And Legal Metrology (Packaged Commodities) Rules, 2011 ;

For the purpose of other laws as may be applicable specifically to the Company, we have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliance under other laws as may be applicable specifically to the Company and verification of document and records on test-check basis.

We have also examined compliance with the applicable clauses of the following:

i) Secretarial Standards issued by the Institute of Company Secretaries of India; and

ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Standards etc. mentioned above subject to the following observations:

1. As per Section 135 of the Act, the Company was required to spend 2% of average net profit of the Company made during the three immediately preceding financial years amounting to Rs. 24.09 Lakhs towards Corporate Social Responsibility as per CSR policy during the Audit Period. However, as per CSR Report pertaining to the financial year ended 31st March, 2017, Rs.12.88 Lakhs was spent during the financial year 2016-17 and the remaining amount was unspent.
2. It is noted that a Company Petition (Company Petition No. 42 of 2017) has been filed against the Company before the National Company Law Tribunal, Ahmedabad Bench under Sections 241 and 242 of the Act.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings. Except where consent of the directors was received for scheduling meeting at a shorter notice, agenda and detailed notes on agenda were sent at least seven days in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the company had no specific events/ actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards etc.

Place : Ahmedabad **Name of practicing C S : Premnarayan Tripathi, Designated Partner**
Date : 26th August, 2017 **SPAN & Co.**
Company Secretaries LLP
FCS : 8851
COP : 10029

Note: This report is to be read with our letter of even date which is annexed as **"Annexure A"** and forms an integral part of this report.

Annexure A

To,
The Members
Vadilal Industries Limited
Vadilal House, Shrimali Society,
Nr. Navrangpura Rly Crossing,
Navrangpura, Ahmedabad – 380 009

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Ahmedabad **Name of practicing C S : Premnarayan Tripathi, Designated Partner**
Date : 26th August, 2017 **SPAN & Co.**
Company Secretaries LLP
FCS : 8851
COP : 10029

ANNEXURE –J to the Directors' Report:

PARTICULARS OF EMPLOYEES:

The information required under Section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year and The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:**

Name of the Managing Directors, Chief Financial Officer and Company Secretary	Ratio to median remuneration of the employees	% increase in remuneration in the financial year
Mr. Rajesh R. Gandhi, Chairman and Managing Director	1 : 31	10%
Mr. Devanshu L. Gandhi, Managing Director	1 : 31	10%
Mr. Kalpit R. Gandhi, Chief Financial Officer	N.A.	27%
Mrs. Ruchita V. Gurjar, Company Secretary	N.A.	13%

The Company does not pay any remuneration to the Non-executive Directors except sitting fees for attending Board and Committee Meetings.

b. **The percentage increase in the median remuneration of employees in the financial year: 22.90 %**

c. **The number of permanent employees on the rolls of Company: 600**

d. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

During the year under review, the average annual increase was around 12.65%.

Increase in the managerial remuneration for the year was 10 %. There is no exceptional increase in the remuneration of the Managing Directors of the Company.

In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

e. **Affirmation:**

The Company affirms that the remuneration of the Managing Directors and the employees of the Company are as per the remuneration policy of the Company.

f. The Statement of particulars of employees under Section 197(12) read with Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is not provided with as, during the financial year under review, no employee of the Company including Managing Directors was in receipt of remuneration in excess of the limits set out in the said rules.

RAJESH R. GANDHI
CHAIRMAN & MANAGING DIRECTOR
VADILAL INDUSTRIES LIMITED

Date :.26th August, 2017.
Place : Ahmedabad.

INDEPENDENT AUDITOR'S REPORT

To the members of VADILAL INDUSTRIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Vadilal Industries Limited** ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
   - **(a)** we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   - **(b)** in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   - **(c)** the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
   - **(d)** in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   - **(e)** on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
   - **(f)** with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
   - **(g)** with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
     - **i.** the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27.1 to the financial statements;
     - **ii.** the Company did not have any long term contracts, including derivate contracts for which there were any material foreseeable losses.
     - **iii.** There has been no delay in transferring

amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except ‘ 0.15 Lacs which is held abeyance due to legal case pending.

iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 on the basis of information available with the company. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 29 of financial statements.

For **KANTILAL PATEL & CO.,**
CHARTERED ACCOUNTANTS
Firm Reg. No. : 104744W

Jinal A Patel
Partner
Membership No. : 153599

Place : Ahmedabad
Date : May 30, 2017

ANNEXURE - A TO AUDITORS’ REPORT

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

i. **(a)** The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except **(a)** Land & Building includes ‘ 29.94 lacs & ‘ 151.61 lacs (Gross) respectively in process of being transferred in the name of the company **(b)** Building includes House Building of ‘ 12.90 lacs (Gross) acquired against loan which is yet to be transferred in the name of the company.

ii. As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification. In respect of inventory lying with third parties, inventories have been confirmed by them.

iii. The Company has not granted loans to any bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’). Thus, paragraph 3(iii) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect of grant of loan, making investments and providing guarantees and securities, as applicable.

v. The company has accepted deposits from public during the year under audit. The directives issued by Reserve Bank of India and provisions of sections 73 & 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under have been generally complied with.

We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

vi. The maintenance of cost records has not been specified by Central Government under section 148(1) of the Companies Act, 2013.

vii. **(a)** According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employee state insurance, income-tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, and on the basis of our examination of the records of the company, the detail of disputed amounts in respect of sales Tax, income tax, service tax, value added tax, employee state insurance custom duty and excise duty / cess not deposited with the appropriate authorities are as follow:

Sr. No.	Dispute under:	Amt. (net of deposit)	Nature of Dues	Period to which the amount Relates	Forum where dispute is pending
1	Central Sales Tax Act and Sales Tax Act of various states	23.24	Sales Tax and Penalty	1998-99	HIGH COURT
		12.49	Additional Tax demand	2000-01	JT.COMM., S.TAX
		15.74	Sales Tax demand	2000-01	DY.COMM., S.TAX
		1.55	Sales Tax demand	2001-02	DY.COMM., S.TAX
		0.60	Sales Tax demand	2002-03	SALES TAX TRIBUNAL
		2.39	Sales tax asst dues	2003-04	JT.COMM., S.TAX
		0.46	Purchase Tax	2003-04	JT.COMM., S.TAX
		3.67	Sales Tax	2004-05	S. Tax Tribuna
		14.81	Sales Tax and Penalty	2010-11	S. Tax Tribuna
		1.44	Sales Tax	2012-13	Add. Comm. Grade-II
		1.54	Sales Tax	2013-14	Add. Comm. Grade-II
		6.00	Sales Tax	2015-16	Add. Comm. Grade-II
		36.67	Sales Tax	2016-17	Add. Comm. Grade-II
		120.60			
2	INCOME TAX	1.93	Income tax	1996-97	ITAT
		1.37	Income tax	2006-07	ASSESSING OFFICER
		28.77	Income tax	2007-08	ASSESSING OFFICER
		0.39	Income tax	2011-12	CIT(A)-8
		1.74	Income tax	2012-13	CIT(A)-8
		0.88	Income tax	2013-14	CIT(A)-8
		35.08			
3	Others Nayab Nirnayak Adhikari	0.75	Food safety penalty	1998-2011	High Court Allahabad
		0.75			
4	Employees State insurance	4.11	Employee State insurance	1997-98 to 1999-00	ESI Corp-Ahmedabad
		4.11			

The following matters, which have been excluded from the above table, have been decided in favour of the company but the department has preferred appeals at higher levels. The details are as under:

(Rs. in lakhs)

Sr. No.	Dispute under	Amt. (net of deposit)	Nature of Dues	Period to which the amount Relate	Forum where dispute is pending
1	EXCISE DUTY	4.58	Demand for duty on good received	1988-89	ASST. COMM.
		4.28	MODVAT on capital goods	2003-04	ASST. COMM.
		8.86			
2	INCOME TAX	50.46	Income Tax	1992-93	ITAT
		31.10	Income Tax	1993-94	ITAT
		14.06	Income Tax	1995-96	HIGH COURT
		16.03	Income Tax	1996-97	HIGH COURT
		111.65			

viii. In our opinion and according to information and explanation given to us, the company has not defaulted in the repayment of loans or borrowings to the banks. The company does not have any loans or borrowing from financial institutions or government and has not issued any debentures.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **KANTILAL PATEL & CO.,**
CHARTERED ACCOUNTANTS
Firm Reg. No. : 104744W

Jinal A Patel
Partner
Membership No. : 153599

Place : Ahmedabad
Date : May 30, 2017

"Annexure – B"

To the Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Vadilal Industries Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **KANTILAL PATEL & CO.,**
CHARTERED ACCOUNTANTS
Firm Regn. No. 104744W

Jinal A Patel
Partner
Membership No.: 153599

Place : Ahmedabad
Date : May 30, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

			NOTE	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
I.	**EQUITY AND LIABILITIES**				
1	**Shareholders' funds**				
	(a)	Share capital	3	718.78	718.78
	(b)	Reserves and surplus	4	13,722.96	12,090.00
		Sub Total		**14,441.74**	**12,808.78**
2	**Deferred Government Grants (Refer L on Note 2.1)**			**17.92**	**21.59**
3	**Non-current liabilities**				
	(a)	Long-term borrowings	5	3,454.74	4,555.36
	(b)	Deferred tax liabilities (Net)	6	2,003.87	1,929.16
	(c)	Long-term provisions	7	154.97	133.06
		Sub Total		**5,613.58**	**6,617.58**
4	**Current liabilities**				
	(a)	Short-term borrowings	8	6,414.23	5,397.85
	(b)	Trade payables	9		
		Total Outstanding dues of Micro Enterprises and Small Enterprises		19.28	11.57
		Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		8,268.53	7,028.22
	(c)	Other current liabilities	10	4,023.56	4,366.04
	(d)	Short-term provisions	7	221.71	357.79
		Sub Total		**18,947.31**	**17,161.47**
		TOTAL		**39,020.55**	**36,609.42**
II.	**ASSETS**				
1	**Non-current assets**				
	(a)	(i) Property, Plant & Equipment	11	22,340.98	21,870.15
		(ii) Intangible assets		351.56	461.63
		(iii) Capital work-in-progress		321.35	51.54
		Sub Total		23,013.89	22,383.32
	(b)	Non-current investments	12	167.28	166.65
	(c)	Long-term loans and advances	13	1,122.32	1,487.74
	(d)	Other non-current assets	14	45.99	52.40
		Sub Total		**24,349.48**	**24,090.11**
2	**Current assets**				
	(a)	Current investments	15	1.08	1.10
	(b)	Inventories	16	12,089.30	9,291.58
	(c)	Trade receivables	17	1,442.65	2,292.05
	(d)	Cash and bank balances	18	410.68	390.92
	(e)	Short-term loans and advances	13	470.12	300.00
	(f)	Other current assets	14	257.24	243.66
		Sub Total		**14,671.07**	**12,519.31**
		TOTAL		**39,020.55**	**36,609.42**
Summary of significant accounting policies			2.1		
The accompanying notes are an integral part of the financial statements					

As per our report of even date attached

For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm Registration No.: 104744W

[Jinal A Patel]
Partner
Membership No - 153599
Place : Ahmedabad
Date : 30th May,2017

For and on behalf of the Board

Rajesh R Gandhi — Chairman & Managing Director
Kalpit R Gandhi — Director & Chief Financial Officer
Ruchita Gurjar — Company Secretary

Place : Ahmedabad
Date : 30th May,2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

		NOTE		Year Ended 31.03.2017 (₹ in Lacs)	Year Ended 31.03.2017 (₹ in Lacs)
I.	Revenue from operations (Gross)	19		48,041.68	45,538.21
	Less : Excise duty			1,147.02	1,090.57
				46,894.66	**44,447.64**
	Other income	20		192.64	104.86
	Total Revenue (I)			**47,087.30**	**44,552.50**
II.	**Expenses:**				
	Cost of materials consumed	21		26,050.26	24,853.51
	Purchase of Stock-in-trade	22		70.04	18.19
	Changes in inventories of finished goods and Stock-in-trade	23		(316.80)	(139.03)
	Employee benefits expenses	24		2,690.46	2,424.37
	Finance costs	25		1,548.34	2,144.88
	Depreciation and amortization expenses	11	1,441.02		1,344.50
	Less : Recoupment from Deferred Government Grant		3.67		3.67
	Sub Total			**1,437.35**	**1,340.83**
	Other expenses	26		12,960.41	11,501.38
	Total (II)			**44,440.06**	**42,144.13**
III.	**Profit before Exceptional & extraordinary items and tax(I-II)**			**2,647.24**	**2,408.37**
IV	Exceptional Items			0.00	0.00
V	**Profit before extraordinary items and tax(III-IV)**			**2,647.24**	**2,408.37**
VI	Extraordinary items			0.00	0.00
VII	**Profit before Tax (V-VI)**			**2,647.24**	**2,408.37**
VIII	**Tax Expenses (Refer H on Note 2.1)**				
	(a) Current tax			908.76	576.11
	(b) Deferred tax expenses			74.71	393.80
	(c) Short Provision of Tax of earlier years			30.81	3.01
	Total (VIII)			**1,014.28**	**972.92**
XI	**Profit for the year (VII–VIII)**			**1,632.96**	**1,435.45**
XII	**Earnings per equity share (Refer Note 28.5)**				
	Nominal Value of Share ₹ 10 (P.Y. ₹ 10)				
	Basic & Diluted			22.72	19.97
	Computed on the basis of total profit for the year				
	Summary of significant accounting policies		2.1		
	The accompanying notes are an integral part of the financial statements				

As per our report of even date attached

For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm Registration No.: 104744W

[Jinal A Patel]
Partner
Membership No - 153599
Place : Ahmedabad
Date : 30th May,2017

For and on behalf of the Board

Rajesh R Gandhi — Chairman & Managing Director
Kalpit R Gandhi — Director & Chief Financial Officer
Ruchita Gurjar — Company Secretary

Place : Ahmedabad
Date : 30th May,2017

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET

		(₹ in Lacs)	For the year ended 31.03.2017 (₹ in Lacs)	(₹ in Lacs)	For the year ended 31.03.2016 (₹ in Lacs)
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before tax and Exceptional Items from continuing operations	2647.24		2408.37	
	Non-cash adjustments to reconcile profit before tax to net cash flows				
	Depreciation and amortisation expense	1441.02		1344.50	
	Withdrawn From Deferred Government Grant	(3.67)		(3.67)	
	Loss / (Profit) on sale of Assets	(15.82)		(28.81)	
	Loss on Partnership Firms (Net)	150.32		3.62	
	Provision for bad debts	8.45		10.66	
	Provision for Doubtful Advances	19.49		9.83	
	Advances written off	23.65		0.00	
	Upfront Interest on restructuring of Loan	1.37		8.58	
	Diminution in value of Current Investments	0.02		0.04	
	Excess Provision written back	(126.74)		(2.48)	
	Diminution in value of Long Term Investments	(6.53)		0.00	
	Profit on Sale of Investment	(8.57)		(8.67)	
	Dividend	(0.13)		(0.13)	
	Interest expenses	1548.34		2144.88	
	Interest Income	(32.16)		(38.89)	
	Operating Profit before working capital changes	5646.28		5847.83	
	Movements in working capital :				
	Increase / (decrease) in trade payables	1374.76		543.55	
	Increase / (decrease) in long term provisions	21.91		16.89	
	Increase / (decrease) in short term provisions	24.43		28.34	
	Increase / (decrease) in other current liabilities	(97.20)		317.65	
	Decrease / (increase) in trade receivable	845.78		(564.19)	
	Decrease / (increase) in inventories	(2797.72)		313.70	
	Decrease / (increase) in long term loans and advances	(106.62)		16.23	
	Decrease / (increase) in short term loans and advances	(213.26)		244.64	
	Decrease / (increase) in other current assets	(14.35)		(13.25)	
	Cash Generated from Operations	4684.01		6751.39	
	Direct taxes paid (net of refunds)	(673.62)		(386.12)	
	Cash flow before extraordinery items	4010.39		6365.27	
	Net Cash Flow from Operating Activities		4010.39		6365.27
B	**CASH FLOWS FROM INVESTING ACTIVITIES**				
	Purchase of Property, Plant & Equipment	(2087.73)		(1258.41)	
	Sale of Property, Plant & Equipment	31.96		28.97	
	Purchase of Current Investments	(1300.00)		(1790.00)	
	Investments in bank deposits (having original maturity of more than three months (Net)	(16.75)		33.93	
	Sale of Investment	1314.50		1798.67	
	Interest received	31.56		54.89	
	Dividend received	0.13		0.13	
	Net Cash flow used in Investing Activities		(2026.33)		(1131.82)
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Long Term borrowings	919.67		654.97	
	Repayment of Long Term Borrowings	(2243.09)		(2649.55)	
	Proceeds from Short Term borrowings	1644.39		450.60	
	Repayment of Short Term Borrowings	(628.01)		(1476.17)	
	Interest paid	(1574.71)		(2185.24)	
	Dividends paid on equity shares	(87.42)		(71.45)	
	Tax on equity dividend paid	(18.29)		(14.63)	
	Net Cash used in Financing Activities		(1987.46)		(5291.47)
	Net Increase/(Decrease) in cash and Cash equivalents (A+B+C)		(3.40)		(58.02)
	Op. Balance of Cash and Cash Equivalents (Including unrealised exchange rate difference of ₹ Nil (P.Y. ₹ 0.16 lacs)		255.57		313.59
	Cl. Balance of Cash and Cash Equivalents exchange rate difference of ₹ Nil (P.Y. ₹ Nil)		252.17		255.57
	Major Components of Cash and Cash Equivalents as at		31/3/2017		31/3/2016
	Cash and Cheques on hand		17.58		30.83
	Balance With Banks				
	On Current Accounts		69.64		39.79
	On Unpaid Dividend Accounts *		21.23		18.79
	On Fixed / Margin Money Deposit Accounts (Includes ₹ 100.59 Lacs (P.Y. ₹ 90.59) in Deposit Repayment Reserve Account)		143.72		166.16
			252.17		255.57

Notes : 1 The above Cash Flow has been prepared under Indirect Method set out in AS 3, issued by Companies (Accounting Standard) Rules, 2006.
2 Figures in brackets represents outflow.
3 Previous Year figures have been restated wherever necessary to make them comparable with current year figures.
* The Company can utilize this balance only towards settlement of the unclaimed dividend,

As per our report of even date attached

For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm Registration No.: 104744W

[Jinal A Patel]
Partner
Membership No - 153599
Place : Ahmedabad
Date : 30th May,2017

For and on behalf of the Board

Rajesh R Gandhi — Chairman & Managing Director
Kalpit R Gandhi — Director & Chief Financial Officer
Ruchita Gurjar — Company Secretary

Place : Ahmedabad
Date : 30th May,2017

Note :1

Corporate Information:

The Company is engaged in the business of manufacturing Ice-cream, Flavored Milk, Frozen Dessert, Other Dairy Products and processing & exporting Processed Food Products, such as Frozen Fruits, Vegetable, Pulp, Ready-to-eat and Ready-to-serve products etc.

The Company is having two ice-cream production facilities – one in Gujarat and the other in Uttar Pradesh.

The company is processing Frozen Fruits, Vegetables and Processed Foods at factory situated at Dharampur, Dist. Valsad, Gujarat. The Company is exporting to various Countries.

The company is having RBI license under AD. II category and engaged in Money changing business.

Note :2

BASIS OF PREPARATION:

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013 read to-gether with Paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention, except for certain Property, Plant & Equipments which are carried at revalued amount.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

NOTE : 2. 1

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :

A) USE OF ESTIMATES :

Preparation of financial statements in conformity with the generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates, are recognised in the period in which the results are known / materialised.

B) PROPERTY, PLANT & EQUIPMENTS, DEPRECIATION AND EXPENDITURE DURING CONSTRUCTION PERIOD :

i) (a) PROPERTY, PLANT & EQUIPMENTS:

Property, Plant & Equipments are stated at cost of acquisition & installation, net of cenvat and VAT credits availed , if any, and includes amount added on revaluation less accumulated depreciation and impairment loss, if any. Borrowing costs incurred during the period of construction/ acquisition of assets are added to the cost of Property, Plant & Equipments. Major expenses on modification /alterations increasing efficiency/capacity of the plant are also capitalised. Exchange differences arising out of fluctuations in exchange rate on settlement/period end in long term foreign currency monetary liabilities used for acquisition of Property, Plant & Equipments are adjusted to the cost of Property, Plant & Equipments and depreciated over the remaining useful life of the asset.

Critical spares are capitalised as a part of Property, Plant & Equipments.

Depreciation on the same is provided over useful life of Property, Plant & Equipments.

(b) INTANGIBLE ASSETS:

Intangible assets are carried at cost less accumulated amortisation and impairment, if any.

ii) a) The Company has revalued Free hold Land, Building and Plant & Machineries of Ice Cream Plant, Ahmadabad and Agri. Foods plant, Dharampur as on 31st March 2000, and further freehold and leasehold land and building situated at Ahmedabad, Pundhra, Bareilly and Dharampur has been revalued as on 31st March, 2012 based on report issued by external valuer, using replacement basis policy.

b) The increase in gross block due to revaluation of assets of ₹ 6956. 53 Lacs(Previous Year ₹ 6956. 53 Lacs) since inception is transferred to revaluation reserve account. Outstanding balance of revaluation reserve account as on 31st March, 2017 is ₹ 5987. 70 Lacs (Previous Year ₹ 6028. 20 Lacs). Consequent to the said revaluation there is an additional charge of depreciation of ₹ 40. 50 Lacs (Previous Year ₹ 40.52 Lacs was recouped from Revaluation Reserve) An equivalent amount has been withdrawn from Revaluation Reserve and credited to the General Reserve Account.

iii) a) Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II, based on technical advice obtained by the Company:

Particulars	Estimated Useful Life
Building	
1.) Factory Building	28 years
2.) Others-RCC Structured	58 years
Plant & Machinery	
1.) Continuous Process	18 years
2.) Plastic Crates	5 years
3.) Others	20 years
Vehicles	
Motor Car	10 years

b) Software is amortized on straight line basis over a period of 5 years.

c) On revalued assets, depreciation is provided on the estimate of the remaining useful life of such assets.

d) Premium paid for lease hold land is amortised over the residuary lease period.

e) In respect of major alterations/modifications forming an integral part of existing assets, depreciation is provided on the basis of useful life of such assets after such alterations/modifications or the useful life of the assets as per Schedule II of the Companies Act, 2013, whichever is higher on the total value of such assets.

f) Lease hold improvements are amortised over the life of the lease. In case the leasehold asset is vacated earlier than tenure of the lease, the total unamortised balance will be written off to the statement of profit & loss in the year in which the premise is vacated.

iv) IMPAIRMENT OF ASSETS :

The carrying amount of assets is reviewed at each balance sheet date for any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of property, plant & equipments exceeds its recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

C) INVESTMENTS :

Investments are classified into Current and Non Current Investments.

Current investments are such which is held primarily for the purpose of being traded. Non Current investments are carried at cost. A provision for diminution in value of Non Current investments is made for each investment individually, if such decline is other than temporary. Current investments are stated at the lower of cost and fair value, computed category wise.

D) INVENTORIES :

Inventories are valued as under:

i)	Raw Materials, Packing Materials and Stores & Spares.	Valued at lower of cost or net realisable value and for this purpose cost is determined on weighted average basis. Due provision for obsolescence is made.
ii)	Finished Goods	At cost or net realisable value, whichever is lower. Cost is determined on absorption basis. Due provision for obsolescence is made.

E) REVENUE RECOGNITION:

i) REVENUE FROM OPERATION :

a) Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection. Revenue from sale of goods is recognised on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained.

b) Sales is inclusive of Excise and net of trade discount and VAT/CST.

ii) DIVIDEND INCOME :

Dividend income from Investment is accounted for when the right to receive is established.

iii) INTEREST INCOME :

Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

F) EMPLOYEE BENEFITS :

a) Short Term Employee Benefits :

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

b) Post-Employment Benefits :

(i) Defined Contribution Plans:

State Governed provident fund scheme and employees state insurance scheme are defined contribution Plans. The contribution paid / payable under the schemes is recognised during the period in which the employees render the related services.

(ii) Defined Benefit Plans :

The employee's gratuity fund scheme and compensated absences is company's defined benefit plans. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected Unit Credit Method, Which recognises each period of service as giving rise to additional unit of employee benefits entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government Securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognised immediately in the profit and loss account.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligations under the defined benefit plans, to recoginse the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefits plans are recoginsed when the curtailment or settlement occurs. Past service cost is recognised as expense on a straight-line basis over the average period until the benefits become vested.

c) Long term employee benefits :

The obligation for long term employee benefits such as long term compensated absences, is recognised in the same manner as in case of defined benefit plans as mentioned in b) ii) above.

G) BORROWING COSTS :

i) Borrowing costs whether specific or general, utilized for acquisition, construction or production of qualifying assets are capitalised as part of cost of such assets till the activities necessary for its intended use are complete. General borrowing costs are capitalised at the weighted average of such borrowings outstanding during the year. All other borrowing costs are charged in statement of profit & loss of the year in which incurred.

ii) Ancillary cost incurred in connection with term loan borrowings is amortised over the period of term loan.

iii) Upfront interest paid on restructuring of term loans is amortised over the tenure of such loans.

H) TAXES ON INCOME :

a) Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty that sufficient future taxable income will be available against which such assets can be realised. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Such assets are reviewed at each balance sheet date to reassess realisation.

b) MAT Credit Entitlement

MAT credit is recognised as an asset only when there is convincing evidence that the company will pay normal income tax within the specified period. The asset shall be reviewed at each balance sheet date.

I) FOREIGN CURRENCY TRANSACTIONS :

i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

ii) Monetary items denominated in foreign currency at the year end are translated at the exchange rates prevailing at the balance sheet date.

iii) Exchange differences, in respect of accounting periods commencing on or after 7th December, 2006 arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the remaining useful life of the asset, and in other cases are accumulated in a "Foreign currency Monetary item Translation Difference Account" in the company's financial statements and amortised Account" in the company's financial statements and amortised over the balance period of such long term asset/liability but not beyond accounting period ending on or before 31st March, 2020.

iv) Premium or discount arising at the inception of the forward exchange contract is amortised as income or expense over the period of the contract. Any profit or loss arising in renewal or cancellation of forward exchange contracts is recognised as income or expense during the year.

v) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account.

vi) Losses in respect of all outstanding derivative contracts at the balance sheet date is provided by marking them to market.

J) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

Provisions are recognised when the company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

Contingent Liabilities are disclosed by way of notes to financial statements.

Contingent Assets are neither recognised nor disclosed in the financial statements.

Provisions & contingent liabilities are reviewed at each balance sheet date.

K) CONTINGENCIES AND EVENTS OCCURRING AFTER THE BALANCE SHEET DATE :

a) All contingencies and events occurring after the balance sheet date which have a material effect on the financial position of the company are considered for preparing the financial statements.

b) Dividend declared by the company to the share holders after the balance sheet date is considered as a liability of the year in which it is paid.

L) ACCOUNTING FOR GOVERNMENT GRANTS :

i) Government grants in the form of promoters contribution is treated as capital receipt and credited to capital reserve.

ii) Grant in the form of revenue subsidy is treated as revenue receipt and credited to "Other Income " in profit and loss account. However, specific grants (e. g. Transport subsidy from APEDA)is deducted from the freight expenses.

iii) Grant towards specific Property, Plant & Equipments was presented as deduction from its gross value up to 31. 03. 2005 and there after the same is presented by credit to Deferred Government grant and amortised over the period of useful life of specific Property, Plant & Eqipments.

M) RESEARCH AND DEVELOPMENT EXPENSES :

Expenditure relating to capital items is debited to Fixed Assets and depreciated at applicable rates. Revenue expenditure is charged to Profit and Loss Account of the period in which they are incurred.

N) SEGMENT REPORTING :

i) Identification of Segments:- The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

ii) Inter Segment transfer:- The company generally accounts for inter segment sales and transfer at cost plus appropriate margins.

iii) Allocation of Common Cost:- Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

iv) Unallocated items:- Unallocated items include general corporate income and expense items which are not allocated to any business segment.

v) Segment accounting policies:- The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

O) EARNINGS PER SHARE :

Basic Earning Per Share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

P) CASH AND CASH EQUIVALENTS :

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Q) CASH FLOW STATEMENT :

Cash flow statement is prepared using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effect of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing of the company are segregated based on the available informations.

	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
NOTE - 3		
SHARE CAPITAL		
Authorised:		
1,50,00,000 (31 March 2016: 1,50,00,000) equity shares of ₹10/- each	15,000.00	15,000.00
	15,000.00	**15,000.00**
Issued, subscribed and fully paid-up shares		
Issued and Subscribed :		
71,88,230 (31 March 2016: 71,88,230) equity shares of ₹ 10/- each	718.82	718.82
	718.82	**718.82**
Paid up :		
71,87,830 (31 March 2016, 71,87,830 Equity shares of ₹.10 each)	718.78	718.78
Total	**718.78**	**718.78**

a) **Reconciliation of the Equity shares outstanding at the beginning and at the end of the year:**

	31st March, 2017 (Nos)	31st March, 2017 (₹ in Lacs)	31st March, 2016 (Nos)	31st March, 2016 (₹ in Lacs)
Equity shares				
At the beginning of the period	7,187,830	718.78	7,187,830	718.78
Outstanding at the end of the period	**7,187,830**	**718.78**	**7,187,830**	**718.78**

b) **Right attached to equity shares:**

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) **Shares held by holding/ultimate holding company and/or their subsidiaries / associates**

The Company does not have any holding company.

d) **Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

Nil

e) **Details of shareholders holding more than 5% shares in the company**

Name of Shareholder	As at 31st March, 2017 (Nos)	As at 31st March, 2017 (%holding in the class)	As at 31st March, 2016 (Nos)	As at 31st March, 2016 (%holding in the class)
Vadilal nternational Pvt Ltd	2,809,704	39.09%	2,809,704	39.09%

As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
NOTE – 4		
RESERVES & SURPLUS		
Capital Reserve		
Closing Balance	8.84	8.84
Securities Premium		
Closing Balance	487.27	487.27
Revaluation Reserve		
Opening Balance	6,028.20	6,068.72
Less :Depreciation to the extent on account of revaluation of Property, Plant & Equipment transferred to General Reserve	40.50	40.52
Closing Balance	5,987.70	6,028.20

	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
General Reserve		
Opening Balance	5,000.00	3,800.00
Add : Amount transferred from surplus balance in the statement of Profit and Loss	-	1,159.48
Add :Depreciation to the extent on account of revaluation of Property, Plant & Equipment transferred from Revaluation Reserve	40.50	40.52
Closing Balance	5,040.50	5,000.00
Surplus in the Statement of Profit and loss		
Opening Balance	565.69	397.86
Add: Profit for the year	1,632.96	1,435.45
Less : Appropriations		
Proposed final equity dividend (Refer Note 27.13)	-	89.85
Tax on proposed equity dividend	-	18.29
Transferred to General reserve	-	1,159.48
Total Appropriations	-	1,267.62
Net Surplus in the Statement of Profit and loss	2,198.65	565.69
Total Reserves and Surplus	**13,722.96**	**12,090.00**

	Non – Current		Current Maturities	
	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
NOTE – 5				
LONG TERM BORROWINGS	.			
Term Loans :-				
From Banks (Secured)	2,215.26	3,806.53	1,702.50	1,560.40
From Financial Insitution (Secured)	-	-	-	200.00
From Others (Unsecured)	-	2.93	2.93	78.31
	2,215.26	**3,809.46**	**1,705.43**	**1,838.71**
Deposits (Unsecured)				
Fixed Deposits	1,239.48	745.90	290.72	380.24
Total	**3,454.74**	**4,555.36**	**1,996.15**	**2,218.95**
The above amount includes :				
Secured borrowings	2,215.26	3,806.53	1,702.50	1,760.40
Unsecured borrowings	1,239.48	748.83	293.65	458.55
Less : Amount disclosed under the head "Other current Liabilities" Note – 10			(1,702.50)	(1,760.40)
Less : Amount disclosed under the head "Other current Liabilities" Note – 10			(293.65)	(458.55)
Net Amount	**3,454.74**	**4,555.36**	**-**	**-**

Repayment Schedule of Loans **(₹ in Lacs)**

	Sanctioned / Disbursed Amount	As at 31.03.2017	As at 31.03.2016	Rate of Interest	No of installment	installment Amount
Term Loans						
From Banks						
Bank of Baroda	1000.00	0.00	150.00	12.65%	-	-
Bank of Baroda	1400.00	303.33	583.33	12.65%	13 Monthly	23.33
Bank of Baroda	2000.00	1222.22	1555.55	13.80%	43 Monthly	27.78
					1 Monthly	27.62

	Sanctioned / Disbursed Amount	As at 31.03.2017	As at 31.03.2016	Rate of Interest	No of installment	installment Amount
State Bank of Travancore	1000.00	112.25	313.50	12.90%	6 Monthly	16.75
					1 Monthly	11.75
State Bank of Travancore	1000.00	112.25	313.50	12.90%	6 Monthly	16.75
					1 Monthly	11.75
State Bank of India	900.00	262.50	450.00	14.75%	7 Quarterly	37.50
State Bank of India	2100.00	1684.25	1804.25	14.75%	32 Monthly	52.00
					1 Monthly	20.25
Vehicle Loans						
HDFC Bank Limited	-	220.96	196.80		From 17 to 54 Monthly Installments *	
From Financial Institutions						
Export-Import Bank of India	1000.00	0.00	200.00			
Others						
IBM India Pvt Ltd	135.11	2.93	35.90	12.50%	1 Quarterly	2.93
Magma Fincorp Ltd	150.00	0.00	45.34	16.10%		
Total		3920.69	5648.17			
Fixed deposits		1530.20	1126.14	9.50 % to 11.00%	12 months to 36 months based on period of deposit	

* Includes Interest portion

A 1) Existing Term Loan from IDBI, SBI and Exim Bank aggregating to ₹ 2100.00 Lacs, Term Loan from BOB, SBI and Exim Bank aggregating to ₹ 3000.00 Lacs, Further Term Loan from BOB and SBT aggregating to ₹ 3400.00 Lacs, Additional Term Loan of ₹ 900.00 Lacs and ₹ 2100.00 Lacs from SBI and Corporate Loan of ₹ 2000.00 Lacs from BOB are secured by way of English Mortgage on immovable properties and hypothecation on movable properties of the Company situated at the following places by way of 1st and 2nd charge on pari-passu basis :-

i Dudheshwar, Ahmedabad (Ice-cream Plant) (1st charge) (Owned Property)

ii Dharampur, Dist.: Valsad (Canning Unit) (1st charge) (Owned Property)

iii Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st charge) (Owned Property)

iv Village: Pundhra, Tal.: Kalol, Dist.: Gandhinagar (Ice-cream Plant) (1st charge) (Owned Property)

v Unit – I, Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (1st charge) (Leased Property)

vi Dharampur, Dist.: Valsad (IQF unit - excluding specific plant & machineries) (2nd charge) (Owned Property)

vii Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd charge) (Owned Property)

viii Dharampur, Dist.: Valsad (New land) (1st charge) (Owned Property)

ix Unit – II, Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (only on movable properties as 1st charge) (excluding specific plant & machineries)

x Gomtipur, Ahmedabad (earlier in Gujarat Cup Company, a Partnership Firm) (only on movable properties as 1st charge)

xi Gomtipur, Ahmedabad (earlier in Vadilal Cone Company) (only on movable properties as 1st charge)

2) Term Loan aggregating to ₹ 3000.00 Lacs from BOB, SBI and Exim Bank, Further Term Loan aggregating to ₹ 3400.00 Lacs from BOB and SBT, Additional Term Loan of ₹ 900.00 Lacs and ₹ 2100.00 Lacs from SBI and Corporate Loan of ₹ 2000.00 Lacs from BOB as above are also secured by mortgage and hypothecation on immovable and movable properties of the Company situated at Bareilly, Parsakhera Industrial Area, U.P. (New Land - F-12) (Leased Property)

3) The above Term Loans are also secured by way of Hypothecation on entire current assets of the Company on 2nd pari-passu charge basis.

4) Vehicle loans are secured by hypothecation of vehicles.

5) The Term Loans are also secured by Personal Guarantee of some of the Directors of the Company and also guaranteed by Three Companies

	Long Term		Short Term	
	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
NOTE – 6				
DEFERRED TAX LIABILITY (NET)				
Deferred tax Liabilities				
Property, Plant & Equipment : Impact of difference between tax Depreciation and depreciation / amortisation charged for the financial reporting	2,140.29	2,041.10		
Others	0.00	0.59		
	2,140.29	2,041.69		
Less: Deferred tax Assets				
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	116.06	97.25		
Others	20.36	15.28		
	136.42	112.53		
Deferred Tax Liability (Net)	**2,003.87**	**1,929.16**		
NOTE – 7				
PROVISIONS				
Employee Benefits				
Gratuity (Refer Note 28.1)	154.97	133.06	64.31	54.18
Compensated Absences			100.72	86.42
Others				
Income tax less Advance Tax (Current Tax)			28.03	80.40
Proposed Equity Dividend (Refer Note 27.13)			0.00	89.85
Provisions for Tax on Proposed Equity Dividend			0.00	18.29
Other provisions (Refer Note 28.6)			28.65	28.65
	154.97	**133.06**	**221.71**	**357.79**

	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
NOTE - 8		
SHORT TERM BORROWINGS		
Loans Repayable on Demand :		
From Banks		
Working Capital Loans (Secured)	4,648.68	3,989.64
Foreign Currency Loan (Buyers Credit) (Secured)	0.00	49.36
Working Capital Loans (Unsecured)	800.00	0.00
Loans from Related Parties (Refer Note 28.3)	0.00	151.07
Deposits (Unsecured)		
Public Fixed Deposits	234.70	222.03
Inter Corporate Deposits (Refer Note 28.3)	730.85	985.75
	965.55	1,207.78
Total	**6,414.23**	**5,397.85**
The above amount includes :		
Secured borrowings	4,648.68	4,039.00
Unsecured borrowings	1,765.55	1,358.85
Total	**6,414.23**	**5,397.85**

A 1) Working Capital facilities from Consortium Banks, namely, BOB, SBI, SBT, IDBI and Exim Bank aggregating to ₹ 6528.00 Lacs (enhanced from ₹ 4525.00 Lacs) and additional Working Capital Facilities aggregating to ₹ 575.00

Lacs from BOB are secured by way of English Mortgage on immovable properties and hypothecation on movable properties of the Company situated at the following places by way of 1st and 2nd charge on pari-passu basis :-

i Dudheshwar, Ahmedabad (Ice-cream Plant) (2nd charge) (Owned Property)

iii Dharampur, Dist.: Valsad (Canning Unit) (2nd charge) (Owned Property)

iii Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd charge) (Owned Property)

iv Village: Pundhra, Tal.: Kalol, Dist.: Gandhinagar (Ice-cream Plant) (2nd charge) (Owned Property)

v Unit – I, Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (2nd charge) (Leased Property)

vi Dharampur, Dist.: Valsad (IQF unit - excluding specific plant & machineries) (1st charge) (Owned Property)

vii Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st charge) (Owned Property)

viii 4 Flats No. 801 to 804, Maruti Centre, Gurukul, Drive-in-Road, Ahmedabad (Flats) (1st charge) (Owned Property)

ix Unit – II, Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (only on movable properties as 2nd charge) (excluding specific plant & machineries)

x Gomtipur, Ahmedabad (earlier in Gujarat Cup Company, a Partnership Firm) (only on movable properties as 2nd charge)

xi Gomtipur, Ahmedabad (earlier in Vadilal Cone Company) (only on movable properties as 2nd charge)

XII Dharampur, Dist: Valsad (New Land) (2nd charge) (Owned Property)

XIII Bareilly, Parsakhera Industrial Area, U.P. (New Land - F-12) (2nd charge) (Leased Property)

xiv The above Working Capital facilities are also secured by way of Hypothecation on entire current assets of the Company on 1st pari-passu charge basis.

B Working Capital facilities are also secured by Personal Guarantee of some of the Directors of the Company and also guaranteed by three Companies.

C The cash credit loan is repayable on demand and carries interest @ 12.25 % to 13.25 %.

D The Working Capital loan (Unsecured) is repayable on demand and carries interest @ 10.00 %.

E Loans and Advances from Related Parties are repayable on demand and carry interest @ 10.50 %

F Inter corporate deposits are repayable between 60 days to 200 days and carry Interest @ 10.50 % to 15.00 %

G Fixed deposits are repayable for 12 months and carry interest @ 9.00 %

	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
NOTE – 9		
TRADE PAYABLES		
Micro, Small and Medium Enterprises (Refer Note 27.6)	19.28	11.57
Others (Including acceptances of ₹ 2268.56 Lacs (P.Y. ₹ 2453.12 Lacs))	8,268.53	7,028.22
Total	**8,287.81**	**7,039.79**
NOTE – 10		
OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (Refer note 5)		
From Banks (Secured)	1,702.50	1,560.40
From Financial Insitution (Secured)	0.00	200.00
From Others (Unsecured)	2.93	78.31
Public Fixed Deposits (Refer Note 5)	290.72	380.24
Interest accrued but not due on borrowings	65.61	89.50
Interest accrued and due on borrowings	56.53	59.01
Unclaimed Dividends*	21.22	18.79
Unclaimed Matured deposits and interest accrued thereon *	15.00	15.82
Book Overdraft in current account with Banks	46.24	29.45
Payable for Capital Goods	362.66	376.37
Other Liabilities		
Statutory dues payable	411.78	542.06
Advances from customers	9.91	26.80
Security Deposits from Customers (Refer Note 28.3)	960.37	864.89
Other Liabilities	78.09	124.40
Total	**4,023.56**	**4,366.04**

* Does not include any amounts outstanding as on 31.03.2017 which are required to be credited to Investor Education and Protection Fund.

NOTE – 11 (Refer B on Note 2.1) ₹ in Lacs

	Description of Assets	Gross Block (At Cost) As at 01/04/2016	Additions	Deductions	As at 31/03/2017	Depreciation / Amortisation Upto 31/03/2016	For the Year	Deduction	Upto 31/03/2017	Net Block As at 31/03/2017	Net Block As at 31/03/2016
i)	**Property, Plant and Equipment**										
	Land Freehold	4,387.49	-	-	4,387.49	-	-	-	-	4,387.49	4,387.49
	Land Leashold	1,285.25	-	-	1,285.25	91.85	22.43	-	114.28	1,170.97	1,193.40
	Buildings	7,627.52	139.46	-	7,766.98	3,296.64	202.84	-	3,499.48	4,267.50	4,330.88
	Leashold Improvements	17.13	-	-	17.13	5.46	1.80	-	7.26	9.87	11.67
	Plant & Machinery	19,904.10	1,599.07	34.19	21,468.98	8,388.82	972.31	19.16	9,341.97	12,127.01	11,515.28
	Furniture and fixtures	199.30	6.82	-	206.12	145.07	9.86	-	154.93	51.19	54.23
	Office equipments	562.37	51.72	15.94	598.15	406.49	63.70	14.83	455.36	142.79	155.88
	Vehicles	417.44	-	-	417.44	196.12	37.16	-	233.28	184.16	221.32
	Total (a)	**34,400.60**	**1,797.07**	**50.13**	**36,147.54**	**12,530.45**	**1,310.10**	**33.99**	**13,806.56**	**22,340.98**	**21,870.15**
	Previous Year	**33,324.07**	**1,105.08**	**28.55**	**34,400.60**	**11,326.35**	**1,232.49**	**28.39**	**12,530.45**	**21,870.15**	**21,997.72**
ii)	**Intangible assets:**										
	Software and development costs	675.16	21.15	-	696.31	213.53	131.22	-	344.75	351.56	461.63
	Total (b)	**675.16**	**21.15**	**-**	**696.31**	**213.53**	**131.22**	**-**	**344.75**	**351.56**	**461.63**
	Previous Year	**533.17**	**141.99**	**-**	**675.16**	**101.79**	**111.74**	**-**	**213.53**	**461.63**	**431.38**
	Total (a+b)	**35,075.76**	**1,818.22**	**50.13**	**36,843.85**	**12,743.98**	**1,441.32**	**33.99**	**14,151.31**	**22,692.54**	**22,331.78**
	Previous Year	**33,857.24**	**1,247.07**	**28.55**	**35,075.76**	**11,428.14**	**1,344.23**	**28.39**	**12,743.98**	**22,331.78**	**22,429.10**
iii)	**Capital Work in progress**	51.54	269.81	-	321.35	-	-	-	-	321.35	51.54
	Previous Year	**60.89**	**95.92**	**105.27**	**51.54**	**-**	**-**	**-**	**-**	**51.54**	**60.89**
	Grand Total	**35,127.30**	**2,088.03**	**50.13**	**37,165.20**	**12,743.98**	**1,441.32**	**33.99**	**14,151.31**	**23,013.89**	**22,383.32**
	Previous Year	**33,918.13**	**1,342.99**	**133.82**	**35,127.30**	**11,427.87**	**1,344.50**	**28.39**	**12,743.98**	**22,383.32**	**22,489.99**

Notes

1 Land & Building includes ₹ 29.94 lacs Gross (P.Y. ₹ 29.94 lacs) & ₹ 151.61 lacs Gross (P.Y. ₹ 151.61 lacs) respectively which is in process of being transferred in the name of the company.

2 Building includes House Building of ₹ 12.90 lacs (Gross) (P.Y. ₹ 12.90 lacs) acquired against loan which is yet to be transferred in the name of the company.

3 Capital Work in progress includes -
₹ 321.35 Lacs (P.Y. ₹ 51.54 Lacs) on account of Building under Construction and Plant & machinery under installation at site

	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
NOTE – 12		
NON-CURRENT INVESTMENTS (Refer C on Note 2.1)		
Trade Investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment In subsidiaries:		
2250 (P.Y. 2250) equity shares of US $ 100 each fully paid up In Vadilal Industries (Inc) U S A (Refer Note No 27.4)	136.41	136.41
Less : Provision for diminuition in the value of investments	135.05	135.05
	1.36	1.36
Investment In Associate :		
Nil (P.Y. 72500) equity shares of ₹ 10 each fully paid up in Vadilal Forex and Consultancy services Ltd	0.00	7.25
Less : Provision for diminuition in the value of investments	0.00	6.53
	0.00	0.72
Investment in Partnership Firm		
(Refer details below)		
Vadilal Cold Storage	140.00	140.00
Investment in Property *		
(Gross Block - ₹ 20.69 Lacs - Accumulated depreciation ₹ 0.61 Lacs)	20.08	20.42

	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
Non Trade Investments (valued at cost unless stated otherwise)		
Government and Trust securities:		
Unquoted		
7 Year National Saving Certificates	0.28	0.28
(Lodged with Government authorities)		
Other Investments		
Equity Instruments		
Unquoted		
36250 (P.Y. Nil) equity shares of ₹ 10 each fully paid up in Vadilal Forex and Consultancy services Ltd	3.63	0.00
74100 (P.Y. 74100) equity shares of ₹ 10 each fully paid up in Majestic Farm House Ltd.	1.87	1.87
280 (P.Y. 280) equity shares of ₹ 10 each fully paid up in Padm Complex Ltd.	0.03	0.03
280 (P.Y. 280l) equity shares of ₹ 10 each fully paid up in Volute Construction Ltd.	0.03	0.03
Nil (P.Y. 4195) equity shares of ₹ 25 each fully paid in Textile Traders Coop Bank Ltd	0.00	1.05
Nil (P.Y. 3540) equity shares of ₹ 25 each fully paid in Siddhi Coop Bank Ltd	0.00	0.89
Total	**167.28**	**166.65**
Aggregate amount of unquoted investments	282.25	287.81
Aggregate provision for diminution in value of Investments	135.05	141.58
Details of Investment in Partnership Firm -		
Investment in Vadilal Cold Storage		
Name of the partner and share in profits (%)		
M/S Vadilal Industries Limited	98.00%	98.00%
M/S Vadilal Chemicals Limited	2.00%	2.00%
Total Capital of the Firm (₹)	142.90	142.90

* The property is in process of transfer in the name of the company

	Non – Current		Current	
	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
NOTE – 13				
LOANS AND ADVANCES				
Unsecured, Considered good unless otherwise stated				
Capital advances	68.12	20.60		
Loans and advances to related parties (Refer Note 28.3)	27.61	177.93		
Advances recoverable in cash or in kind or for value to be received (Refer Note 28.3)				
Considered Good	-	-	336.92	205.06
Considered doubtful	-	-	39.70	20.21
Less Provided for	-	-	39.70	20.21
Net	0.00	0.00	0.00	0.00
Sub Total	**0.00**	**0.00**	**336.92**	**205.06**
Other Loans and Advances				
Loans to employees	4.59	2.32	9.03	9.02
Prepaid Expenses	0.97	1.26	82.60	78.42
Deposits with Government Authorities	127.07	91.99	41.57	7.50
Advance Income Tax less Provisions	-	26.29		
MAT Credit entitlement (Refer Note 27.12)	187.74	483.17		
Other Trade / Security Deposits (Refer Note 28.3)	706.22	684.18		
Total	**1,122.32**	**1,487.74**	**470.12**	**300.00**
Loans and Advances to related parties include -				
Balance with Firm in which company is a partner	27.61	177.93		
	27.61	**177.93**		

	Non – Current		Current	
	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
NOTE – 14				
Other Assets				
Unsecured, Considered good unless otherwise stated				
Bank Deposits with original maturity of more than 12 months (Refer Note 18)	45.99	52.40	-	-
Unamortised Borrowing cost (Refer G (ii) & (iii) on Note 2.1))	-	-	-	1.37
Interest Receivable	-	-	7.42	6.82
Export Benefits Receivable	-	-	81.63	78.29
Subsidy Receivable			168.19	157.18
	45.99	**52.40**	**257.24**	**243.66**
NOTE – 15				
CURRENT INVESTMENTS (Valued at lower of cost and fair value				
(Refer C on Note 2.1)				
Quoted:				
Investments in Equity Instruments				
400 (P.Y. 400) equity shares of ₹ 10 each fully paid-up in Aminex Chemicals Ltd.			0.04	0.04
15 (P.Y. 15) equity shares of ₹ 10 each fully paid-up in Century Enka Ltd			0.06	0.06
60 (P.Y. 60) equity shares of ₹ 10 each fully paid-up in Essar Steel Ltd.			0.01	0.01
200 (P.Y. 200) equity shares of ₹ 10 each fully paid-up in Golden Agro Tech Industries Ltd			0.02	0.02
100 (P.Y. 100) equity shares of ₹ 10 each fully paid-up in Great Eastern Shipping Co.Ltd			0.04	0.04
25 (P.Y. 25) equity shares of ₹ 10 each fully paid-up in Great Offshore Ltd			0.01	0.01
25000 (P.Y. 25000) equity shares of ₹ 1 each fully paid-up in Interface Financial Services Ltd			2.00	2.00
4900 (P.Y. 4900) equity shares of ₹ 10 each fully paid-up in Radhe Developers Ltd			0.49	0.49
2500 (P.Y. 2500) equity shares of ₹ 10 each fully paid-up in Saket Projects Ltd			0.25	0.25
900000 (P.Y. 900000) equity shares of ₹ 1 each fully paid-up in Sanara Media Ltd.			1.24	1.24
Total			4.16	4.16
Less : Diminution in value of Investments			3.08	3.06
Total			**1.08**	**1.10**
Aggregate amount of quoted investments (Market Value - ₹ 2.97 Lacs P.Y. ₹1.83 Lacs)			4.16	4.16
Aggregate provision for diminution in value of Investments			3.08	3.06
NOTE - 16				
INVENTORIES				
(Refer D on Note No 2.1)				
Stores, Spares and Consumables			511.96	424.16
Raw Materials			5,616.55	3,284.71
Packing Materials			1,520.87	1,459.59
Finished goods			4,439.92	4,123.12
Total			**12,089.30**	**9,291.58**
NOTE - 17				
TRADE RECEIVABLES				
(Unsecured, considered good unless otherwise stated)				
Outstanding for a year exceeding six months from the date they are due for payment				
Considered good			52.74	41.41
Considered doubtful			19.06	23.64
Less : Provided for			19.06	23.64
			0.00	0.00
			52.74	**41.41**
Other receivables				
Considered good			1,389.91	2,250.64
Considered doubtful			-	0.25
Less : Provided for			-	0.25
			0.00	0.00
			1389.91	**2250.64**
Total			**1,442.65**	**2,292.05**

	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
of the above debts (exceeding six months) -		
Secured Considered good	28.79	10.13
Unsecured Considered good	23.95	31.28
	52.74	**41.41**
of the above debts (Other receivables) -		
Secured Considered good	52.88	43.04
Unsecured Considered good	1,337.03	2,207.60
	1,389.91	**2,250.64**
NOTE - 18		
CASH AND BANK BALANCES		
Cash and cash equivalents:		
Balances with banks		
On Current Accounts	69.64	39.79
On Deposit Repayment Reserve Account	100.59	90.59
Deposits / Margin Money Deposits with Original Maturity of less than three months	43.13	75.57
On Unpaid Dividend a/c	21.23	18.79
Cash balance on hand	17.58	30.83
Total	**252.17**	**255.57**
Other bank balances:		
Deposits with original maturity for more than three months	132.16	135.67
(Includes Security deposit with banks ₹ 131.34 lacs (P.Y. ₹ 134.84 Lacs)		
Margin Money deposit (towards guarantee and L C issued by banks)	72.34	52.08
Total	**204.50**	**187.75**
Total	**456.67**	**443.32**
Less : Deposits with Original Maturity of more than 12 months		
Amount disclosed under Non - Current Assets (Refer Note 14)	45.99	52.40
Total	**410.68**	**390.92**

	Year Ended 31.03.2017 (₹ in Lacs)	Year Ended 31.03.2016 (₹ in Lacs)
NOTE - 19		
REVENUE FROM OPERATIONS (GROSS)		
(Refer E on Note 2.1)		
Sale of products (Refer Note below)		
Finished goods	47,795.33	45,320.92
Sale of Services		
Income from Money Changing Business	9.47	7.77
Other operating revenues:		
Export Licences	148.87	139.86
Miscellaneous Sales.	88.01	69.66
Revenue from operations (Gross)	48,041.68	45,538.21
Details of Products Sold (Gross)		
Finished Goods		
Icecream and Frozen Desserts	42,622.84	39,803.13
Fruit Pulp, Frozen Fruits, Vegetables & Ready to Eat / Serve	4,132.84	4,939.69
Other Dairy Products	1,039.65	578.10
Total	**47,795.33**	**45,320.92**

Note :

The Company is engaged in the manufacturing and trading of selected Fruit Pulp, Frozen Fruits, Vegetables & Ready to eat / serve Products. Due to complexities, it is not possible to seggregate the information regarding Sales, consumption and inventories of such products into Finished goods and traded goods

	Year Ended 31.03.2017 (₹ in Lacs)	Year Ended 31.03.2016 (₹ in Lacs)
NOTE - 20		
OTHER INCOME		
(Refer E on Note 2.1)		
Interest income:	32.16	38.89
Dividend income		
On Long Term Investments	0.13	0.13
Foreign Exchange Gain (Net)	-	24.62
Profit on sale of investment	8.57	8.67
Other Income		
Profit on sale of Property, Plant & Equipment (net)	15.82	28.81
Excess Provisions / Sundry Balances written back	126.74	2.48
Diminuition in value of long term investments written back	6.53	-
Miscellaneous Income	2.69	1.26
Total	**192.64**	**104.86**
NOTE – 21		
COST OF MATERIALS CONSUMED		
(Also Refer Note 27.8)		
Inventory at the beginning of the year	4,744.30	5,200.32
Add: Purchases	28,443.38	24,397.49
	33,187.68	29,597.81
Less : Inventory at the end of the year	7,137.42	4,744.30
Cost of Materials consumed	**26,050.26**	**24,853.51**
Details of Materials consumed -		
Milk and Milk Products	7,521.91	6,112.28
Dry Fruits, Fresh Fruits & Vegetables	3,479.03	3,471.95
Packing Materials	5,403.51	5,330.65
Others	9,645.81	9,938.63
Total	**26,050.26**	**24,853.51**
Details of Inventory		
Milk and Milk Products	3,586.76	1,262.60
Dry Fruits, Fresh Fruits & Vegetables	361.89	879.72
Packing Materials	1,520.87	1,459.59
Others	1,667.90	1,142.39
Total	**7,137.42**	**4,744.30**
NOTE – 22		
PURCHASE OF STOCK IN TRADE		
Dairy Products	58.48	-
Others	11.56	18.19
Total	**70.04**	**18.19**
NOTE - 23		
CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE		
Opening Stock		
Finished Goods	4,123.12	3,984.09
	4,123.12	3,984.09
Closing Stock		
Finished Goods	4,439.92	4,123.12
	4,439.92	4,123.12
Net Changes in inventories	**(316.80)**	**(139.03)**

	Year Ended 31.03.2017 (₹ in Lacs)	Year Ended 31.03.2016 (₹ in Lacs)
Details of Inventory -		
Finished Goods		
Ice Cream & Frozen Desserts	3,113.04	2,339.75
Fruit Pulp,Frozen Fruits & Vegetables	1,326.88	1,783.37
Total	**4,439.92**	**4,123.12**
NOTE - 24		
EMPLOYEE BENEFIT EXPENSES		
(Refer F on Note 2.1)		
Salary, Wages, Allowances & Bonus, etc	2,283.56	2,095.59
Contribution to Provident & other funds (Refer Note 28.1)	190.71	146.71
Staff Welfare Expenses	216.19	182.07
Total	**2,690.46**	**2,424.37**
NOTE – 25		
FINANCE COST		
(Refer G on Note 2.1)		
Interest Expenses	1,411.70	1,991.31
Other Borrowing Cost	135.27	146.42
Amortisation of ancilliary borrowing costs	1.37	7.15
Total	**1,548.34**	**2,144.88**
NOTE - 26		
OTHER EXPENSES		
Job Charges	2,803.73	2,448.65
Power & Fuel	2,938.45	2,871.37
Stores and Spares Consumption (Also Refer Note 27.9)	415.70	454.51
Repairs		
to buildings	46.47	69.80
to plant and machinery	153.46	134.11
Excise Duty Others	17.34	17.13
Rent	1,057.50	868.16
Rates and taxes	49.90	27.71
Insurance	75.01	61.38
Freight and forwarding charges	2,635.30	2,350.41
Provision for Doubtful Debts	8.45	10.66
Bad debts written off	13.28	-
Less : Provided in earlier years	13.28	-
	-	-
Provision for Doubtful Advances	19.49	9.83
Advances written off	23.65	-
Share of Loss of Partnership Firm # (C Y Nil (PY Net of earlier year Loss of ₹ 13.90 Lacs))	150.32	3.62
Foreign Exchange Loss (Net)	25.39	-
Diminuition in Value of Current Investments	0.02	0.04
Payment to Auditors (Refer Note below)	38.37	32.56
CSR Expenses	12.88	-
Other Expenses (Including Legal & Professional,Conveyance, Telephone, Postage, Printing & Stationery, etc)	2,488.98	2,141.44
Total	**12,960.41**	**11,501.38**
Payment to Auditors		
As Auditor		
Audit Fees	14.50	14.50
Tax Audit Fees	6.00	6.00
Limited Review	1.98	1.95
In Other Capacity		
Taxation matters	3.83	2.11
Other services (certification fees)	10.91	7.20
Reimbursement of expenses	1.15	0.80
Total	38.37	32.56

Amount of share of loss in partnership firm have been accounted on the basis of Audited financial statements of the partnership firm

NOTE - 27 Additional Information to the Financial Statements

27.1) [A] CONTINGENT LIABILITIES NOT PROVIDED FOR :

		Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
I)	Guarantees given by the company against Term Loans given to companies in which Directors are interested is ₹ 3059.12 Lacs (P.Y.₹ 2009 Lacs).		
	Outstanding against this as at 31st March	1444.31	309.20
II)	i) For Excise -		
	Related to a matter decided in favour of the company, against which the Excise department has preferred an appeal.	8.86	8.86
	ii) For Income Tax -		
	a) which is disputed by the company and against which company has preferred appeal, based on the demand notices raised by Income Tax Dept.and received by the company.	33.15	3.50
	b) Against which Income Tax department has preferred appeal	111.65	169.77
	c) In respect of erstwhile Vadilal Financial Services Limited (VFSL) Income Tax Demand (including interest) for which the company has preferred appeal.	1.93	1.93
iii)	For Sales Tax -		
	Disputed by the company and against which company has preferred an appeal.	170.53	116.42
iv)	For other Matters	8.71	16.55
v)	Differential amount of custom/excise duty in respect of machinery purchased under EPCG scheme.	462.44	461.24
III)	Other Money for which the Company is contingently liable		
	i) Liability in respect of Bills Discounted with Third Party	1312.81	1924.47

Note : a) Future cash outflows in respect of A (II)(i) to (iv) above depends on ultimate settlement / conclusions with the relevant authorities.

b) Future cash outflows in respect of A (II) (v) above depends if company is unable to fulfill export obligations between 2018-19 to 2023-24 of ₹ 3133.30 Lacs (P.Y.₹ 3280.07 Lacs), for import made between the year of 2006-07 to 2016-17.The fulfillment of export obligation is considered on the basis of license claimed at the time of export.

c) Future cash outflows in respect of A (III)above depends if Vendors are unable to fulfill the liability.

[B] Particulars of dues of Sales Tax, Income Tax, Excise duty and Other Matters as at March 31, 2017, which have not been deposited. **[₹ in Lacs]**

(I) Disputed cases, where company has preferred appeals.

Name of Statute	Nature of dues	Amount	Period of which the amount relates	Forum where dispute is pending
(i) FOR SALES TAX ASSESSMENT DUES				
S.Tax	Asst.dues	23.24 (23.24)	1998-99	High Court
	Asst.dues	12.49 (12.49)	2000-01	Jt.Comm., S.Tax
	Asst.dues	15.74 (15.74)	2000-01	Dy.Comm., S.Tax
	Asst.dues	1.55 (1.55)	2001-02	Dy.Comm., S.Tax
	Asst.dues	0.60 (0.60)	2002-03	S.Tax Tribunal
	Asst.dues	2.39 (2.39)	2003-04	Jt.Comm., S.Tax
	Asst.dues	0.46 (0.46)	2003-04	Jt.Comm., S.Tax
	Asst.dues	3.67 (3.67)	2004-05	S.Tax Tribunal
	Asst.dues	14.81 (16.81)	2010-11	S.Tax Tribunal

Name of Statute	Nature of dues	Amount	Period of which the amount relates	Forum where dispute is pending
	Asst.dues	1.44 (0.00)	2012-13	Add.Comm.Grade II Appeal
	Asst.dues	1.54 (0.00)	2013-14	Add.Comm.Grade II Appeal
	Asst.dues	6.00 (0.00)	2015-16	Add.Comm.Grade II Appeal
	Asst.dues	36.67 (0.00)	2016-17	Add.Comm.Grade II Appeal
	Total	120.60 (76.95)		
(ii)	**FOR INCOME TAX**			
	Asst.dues	28.77 (0.00)	2007-08	Assessing Officer
	Asst.dues	0.88 (0.00)	2013-14	CIT(A)
	Asst.dues	1.93 (1.93)	1996-97	ITAT
	Asst.dues	1.37 (1.37)	2006-07	Assessing Officer
	Asst.dues	0.39 (0.39)	2011-12	CIT(A)
	Asst.dues	1.74 (1.74)	2012-13	CIT(A)
	Total	35.08 (5.43)		
(iii)	**FOR Other Matters**			
	Demand	0.75 (0.75)	2013-14	High Court
		4.11 (4.11)	1997-98 to 1999-00	ESI Corp A'bad
	Total	4.86 (4.86)		
(II)	**Decided in favour of the company but the department has preferred appeals.**			
i)	Excise			
	Goods cleared with differential classification	4.58 (4.58)	1988-89	Asst.Commissioner
	Cenvat credit	4.28 (4.28)	2003-04	Asst.Commissioner
	Total	8.86 (8.86)		
(ii)	I.Tax I.Tax Asst.	50.46 (50.46)	1992-93	ITAT
		31.10 (31.10)	1993-94	ITAT
		0.00 (7.84)	1994-95	High Court
		14.06 (14.06)	1995-96	High Court
		16.03 (16.03)	1996-97	High Court
		0.00 (0.51)	2001-02	High Court
		0.00 (5.10)	2002-03	High Court
		0.00 (41.55)	1997-98	ITAT
		0.00 (3.12)	1999-00	High Court
	Total	111.65 (169.77)		

Note: Figures in brackets relate to previous year.

27.2) Commitments:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for as on 31st March, 2017:

	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
Property, Plant & Equipments	635.29	113.68
Intangible Assets	0.00	0.00
	635.29	113.68
b) Letter of credits and bank guarantees issued by banks and outstanding as on 31st March, 2017	709.27	925.31

27.3) The company has written down the inventories to net realisable value during the year by ₹ 308.84(Previous year ₹ 297.19 Lacs).

27.4) Disclosure as required under regulation 34(3) read with schedule V of SEBI LODR:

Loans/Advances and Investments of the company :

Particulars	O/S.as at 31.03.2017 (₹ in Lacs)	Maximum O/S. during the year (₹ in Lacs)
(I) SUBSIDIARY COMPANY		
Vadilal Industries (USA) Inc.		
- Investments #	1.36	1.36
	(1.36)	(1.36)
(II) PARTNERSHIP FIRMS WHERE SHARE IS MORE THAN 51 %		
Vadilal Cold Storage		
- Investments	140.00	140.00
	(140.00)	(140.00)
- Loans & Advances	27.61	177.93
	(177.93)	(177.93)

Company has made investment in equity of overseas subsidiary company for ₹ 136.41 Lacs (Value after diminution ₹ 1.36 lacs). During the year Subsidiary Company has made a profit of ₹ 239.97 Lacs (P.Y. ₹ 25.74 Lacs) and net accumulated losses as on 31.03.2017 is ₹ 114.26 Lacs (P.Y. ₹ 354.23). In view of long term involvement and improvement in financial performance of subsidiary, the company considers that the exposure and Trade Receivable from the subsidiary amounting to ₹ 678.70 Lacs(P.Y. ₹ 290.56) will be fully realisable.

Note: Figures in bracket relate to previous year.

27.5) PARTICULARS OF DERIVATIVE INSTRUMENTS :

a) Derivative contracts entered into by the company and outstanding as on 31st March, 2017:

i) All derivative and financial instruments acquired by the company are for hedging.

ii) Foreign currency exposure that are hedged by derivative instruments as on 31st March, 2017-

PARTICULARS	C.Year	P.Year
Number of Buy Contract	4	2
Aggregate Amount	CAD 0.00	CAD 75272.50
	GBP 26847.65	GBP 0.00
	₹ 21.71 Lacs	₹ 38.43 Lacs

iii) Foreign currency exposure that are not hedged by derivative instruments as on 31st March, 2017 -

PARTICULARS	C.Year		P.Year	
	PAYABLE	RECEIVABLE	PAYABLE	RECEIVABLE
US $	37961.56	1468711.00	23748.00	807267.28
CAD	265.00	40257.50	0.00	0.00
EURO	0.00	0.00	65857.28	0.00
GBP	0.00	0.00	3102.65	26864.60
AUD	10400.00	0.00	0.00	0.00
TOTAL ₹ (IN LACS)	29.90	971.74	68.15	561.00

27.6) The information as required to be disclosed under the "Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the company.The disclosure relating to balance if any as at the year end have been given in Note No.-9.This is relied upon by the Auditors.

Particulars	C.YEAR (₹ in Lacs)	P.YEAR (₹ in Lacs)
Principal amount due and remaining unpaid	-	4.11
Interest due on above and the unpaid interest	-	0.07
Interest Paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

27.7) MANAGERIAL REMUNERATION

Salaries, Wages, Allowances, Bonus etc.includes ₹ 247.67 Lacs towards Managing Director's remuneration as per details given below.

Particulars	C.YEAR (₹ in Lacs)	P.YEAR (₹ in Lacs)
Salary	79.20	72.00
Commission	116.46	104.82
Contribution to P.F.	9.50	8.64
Other perquisites in cash or kind	42.51	39.12
Total....	247.67	224.58

27.8) Consumption of Raw and Packing Materials :

	C.YEAR (₹ in Lacs)	%age	P.YEAR (₹ in Lacs)	%age
1) Imported	386.44	1.48	355.95	1.43
2) Indigenous	25663.82	98.52	24497.56	98.57
	26050.26	100.00	24853.51	100.00

27.9) STORES AND SPARES CONSUMED:

	C.YEAR (₹ in Lacs)	%age	P.YEAR (₹ in Lacs)	%age
1) Imported	13.01	3.13	14.44	3.18
2) Indigenous	402.69	96.87	440.07	96.82
	415.70	100.00	454.51	100.00

27.10) A) C.I.F.VALUE OF IMPORTS :-

	C.YEAR (₹ in Lacs)	P.YEAR (₹ in Lacs)
a) Raw Materials and Packing Materials	351.77	444.29
b) Stores and Spares	15.82	18.70
c) Capital Goods	879.56	124.24
B) EXPENDITURE IN FOREIGN CURRENCY: (on accrual basis)		
i) Sales Promotion and Commission	141.65	13.49
ii) Travelling	104.77	52.54
iii) Freight	342.13	304.19
iv) Others	23.13	16.56
C) EARNINGS IN FOREIGN CURRENCY:-		
Export of Goods (F.O.B.Value)	4170.33	3620.79

27.11) REMITTANCE OF FOREIGN CURRENCIES FOR DIVIDENDS :

The company has not made any remittances in foreign currencies on account of dividend during the year.The particulars of Dividend paid to non-resident shareholders are as follows :

	C.YEAR	P.YEAR
Year to which dividend relates	2015-16	2014-15
Number of non-resident shareholders	3	7
Number of shares held by them on which dividend is due	1210	1785
Amount remitted to bank accounts in India of non-resident shareholders - ₹ in Lacs	0.01	0.01

27.12) MAT CREDIT ENTITLEMENT :

The company has utilized MAT Credit of ₹ 309.44 Lacs out of MAT Credit Taken of ₹ 497.18 Lacs up to 31.03.2016.Balance amount of MAT Credit as on 31.03.2017 of ₹ 187.74 lacs will be utilized on the basis of the projection for future profit.

27.13) The Board of Directors of the Company have recommended dividend of ₹ 1.25 per Share (i.e.@ 12.5%) on 7187830 Equity Shares of ₹ 10/- each for the year ended on 31st March, 2017 subject to the approval of the members at the ensuing Annual General Meeting of the Compoany.

28) <u>Disclosure under Accounting Standards</u>

28.1)(i) Defined Contribution Plans:

Amount of ₹ 108.66 Lacs is recognised as expense and included in "Employee Benefits Expenses" in the Statement of Profit and Loss.

(ii) Defined Benefit Plans :

(a) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

Particulars	Gratuity Plan Current Year (₹ in Lacs)	Gratuity Plan Previous Year (₹ in Lacs)
Opening defined benefit Obligation as at 01.04.16	318.99	283.04
Service Cost	21.96	20.89
Interest Cost	24.88	22.50
Actuarial Losses (Gains)	43.74	20.96
Losses (Gains) on		
Curtailments	--	—
Liabilities extinguished on settlements	—	—
Benefits Paid	(10.55)	(28.40)
Closing defined benefit obligation as at 31.03.2017	399.02	318.99

(b) Changes in the fair value of plan assets representing reconciliation of the opening and closing balance thereof are as follows:

Particulars	Gratuity Plan Current Year (₹ in Lacs)	Gratuity Plan Previous Year (₹ in Lacs)
Opening fair value of plan assets as at 01.04.2016	131.76	115.81
Expected return	10.28	9.21
Actuarial gains(Losses)	(1.75)	(2.06)
Assets distributed on Settlements	—	—
Contribution by employer	50.00	37.20
Benefits paid	(10.55)	(28.40)
Closing balance of fair value of plan Assets as at 31.03.2017	179.74	131.76

(c) The amounts recognised in Balance Sheet are as follows :

Particulars	Gratuity Plan Current Year (₹ in Lacs)	Gratuity Plan Previous Year (₹ in Lacs)
Amount to be recognised in Balance Sheet		
A) Present Value of Defined Benefit Obligation		
- Funded	179.74	131.76
- Unfunded	219.28	187.23
Total	399.02	318.99
Less: Fair Value of Plan Assets	179.74	131.76
- Unrecognised Past Service Costs	—	—
- Amount to be recognised as Liability	219.28	187.23

B)	Amount Reflected in the Balance Sheet		
	Liabilities	219.28	187.23
	Assets	—	—
	Net Liability/(Asset)	219.28	187.23

(d) The amounts recognised in Profit and Loss account are as follows:

	Particulars	Gratuity Plan Current Year (₹ in Lacs)	Gratuity Plan Previous Year (₹ in Lacs)
1.	Current Service Cost	21.96	20.89
2.	Interest cost	14.60	13.29
3.	Expected return on plan assets	—	—
4.	Net Actuarial Losses (Gains) recognised in yr.	45.49	23.02
5.	Past service cost	—	—
6.	Losses (gains) on Curtailments and Settlement	—	—
	Total included in Employees expenses	82.05	57.20
	Actual return on plan assets	8.53	7.15

(e) The major categories of plan asset as a percentage of total plan assets are as follows:

Particulars	Gratuity Plan Current Year	Gratuity Plan Previous Year
Government of India -Securities	0.00 %	0.00 %
High quality Corporate bond	0.00 %	0.00 %
Equity shares of listed companies	0.00 %	0.00 %
Property	0.00 %	0.00 %
Insurance company	100.00 %	100.00 %

(f) Principal actuarial assumptions at the balance sheet date. (expressed as weighted averages):

Particulars	Gratuity Plan Current Year	Gratuity Plan Previous Year
Discount rate	7.29%	7.80%
Expected return on plan assets	7.29%	7.80%
Proportion of employees opting for early retirement/ Attrition rate		8.00%
For service (4 years & below)	1.00%	
For service (4 years above)	8.00%	
Annual increase in salary costs	7.00%	7.00 %

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

(g) Amount pertaining to defined benefits plans for current and previous five years are as follows :

Gratuity Plan:- (₹ in Lacs)

Particulars	Current Year	Previous Years				
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Defined benefit Obligation	399.02	318.99	283.04	230.17	181.20	153.98
Plan assets	179.74	131.76	115.81	84.75	84.55	84.66
Surplus / (Deficit)	(219.28)	(187.23)	(167.23)	(145.42)	(96.65)	(69.32)
Experience adjustment on plan Liabilities	37.41	16.52	(5.59)	42.07	3.36	12.54
Experience adjustment on plan Assets	(1.75)	(2.06)	(4.58)	(0.15)	0.34	(0.99)

(h) The company expects to fund ₹ 64.00 Lacs(P.Y.₹ 50.00 Lacs)towards gratuity plan and ₹ 100.30 Lacs(P.Y.₹ 73.56 Lacs) towards provident fund plan during the year 2017-18.

Notes :

I) The company provides retirement benefits in the form of Provident Fund, Gratuity and Leave Encashment.Provident fund contributions made to "Government Administrated Provident Fund" are treated as defined contribution plan since the company has no further obligations beyond its monthly contributions.Gratuity is treated as defined benefit plan, and is administrated by making contributions to Group Gratuity Scheme of Life Insurance Corporation of India and SBI Life-Cap Assure Gratuity Scheme.Leave encashment is considered as defined benefit plans is administrated by making contributions to the Group Leave Encashment Scheme of Life Insurance Corporation of India and Sick leave is considered as defined benefit plan and it remains unfunded.

28.2) As per Accounting Standard (AS)17 "Segment Reporting", segment information is provided in the Notes to Consolidated Financial Statements.

28.3) RELATED PARTY DISCLOSURES : As per Accounting Standard 18.

A) Name of related party and description of relationship where control exists:

i) Vadilal Industries (USA) Inc.: Subsidiary Company

ii) Vadilal Cold Storage : Partnership firm where share is more than 51 %

iii) Vadilal Forex and Consultancy Services Ltd : Associate up to 25/03/2017

B) Name of related party and description of the relationship with whom transactions taken place.

1) Key Management Personnel :

i) Rajesh R Gandhi

ii) Devanshu L Gandhi

iii) Kalpit R.Gandhi

iv) Ruchita Gurjar

2) Enterprises owned or significantly influenced by key management personnel or their relatives :

i) Vadilal Enterprises Ltd.

ii) Vadilal International Pvt.Ltd.

iii) Veronica Construction Pvt.Ltd.

iv) Padm Complex Ltd.

v) Majestic Farm House Ltd.

vi) Volute Construction Ltd.

vii) Byad Packaging Industries Pvt.Ltd.

viii) Vadilal Marketing Pvt.Ltd.

3) Relative of key Management Personnel :

i) Mamta R Gandhi

ii) Aastha R Gandhi

C) Transaction with Related Parties : **(₹ in Lacs)**

Sr. No.	Particulars of Transaction & Name of related party with whom transactions are more than 10%	Subsidiary	Control Exist	Associates	Key Management Personnel / Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
A	**Transaction with related parties :**						
1	**Sales :**						
	i) Vadilal Enterprises Ltd.	—	—	—	—	47,366.27	47366.27
		(—)	(—)	(—)	(—)	(45,413.33)	(45,413.33)
	ii) Vadilal Industries (USA) Inc	1055.73	—	—	—	—	1055.73
		(289.18)	(—)	(—)	(—)	(—)	(289.18)
	iii) Others	—	—	—	—	108.75	108.75
		(—)	(—)	(—)	(—)	(131.78)	(131.78)
2	**Purchase :**						
	ii) Majestic Farm House Ltd.	—	—	—	—	—	0.00
		(—)	(—)	(—)	(—)	(2.77)	(2.77)
3	**Hire Charges/Rent paid :**						
	i) Vadilal Cold Storage	—	29.05	—	—	—	29.05
		(—)	(30.68)	(—)	(—)	(—)	(30.68)
4	**Rent Income :**						
	Vadilal Enterprises Ltd.	—	—	—	—	0.90	0.90
		(—)	(—)	(—)	(—)	(0.90)	(0.90)
5	**Interest paid :**						
	i) Veronica Construction P. Ltd	—	—	—	—	1.60	1.60
		(—)	(—)	(—)	(—)	(3.18)	(3.18)
	ii) Byad Packaging Industries Pvt Ltd	—	—	—	—	5.68	5.68
		(—)	(—)	(—)	(—)	(5.19)	(5.19)
	iii) Vadilal Marketing Pvt Ltd	—	—	—	—	4.52	4.52
		(—)	(—)	(—)	(—)	(—)	0.00

Sr. No.	Particulars of Transaction & Name of related party with whom transactions are more than 10%	Subsidiary	Control Exist	Associates	Key Management Personnel / Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
	iv) Devanshu L Gandhi	—	—	—	10.66	—	10.66
		(—)	(—)	(—)	(19.32)	(—)	(19.32)
	v) Rajesh R Gandhi	—	—	—	1.06		1.06
		(—)	(—)	(—)	(—)	(—)	(0.00)
	vi) Kalpit R Gandhi	—	—	—	1.08		1.08
		(—)	(—)	(—)	(—)	(—)	(0.00)
6	**Salary paid :**						
	i) Mamta R.Gandhi	—	—	—	6.82	—	6.82
		(—)	(—)	(—)	(5.43)	(—)	(5.43)
	ii) Kalpit R. Gandhi	—	—	—	26.97	—	26.97
		(—)	(—)	(—)	(23.80)	(—)	(23.80)
	iii) Ruchita Gurjar	—	—	—	6.55	—	6.55
		(—)	(—)	(—)	(0.95)	(—)	(0.95)
	iv) Nikhil Patel	—	—	—	—	—	—
		(—)	(—)	(—)	(6.37)	(—)	(6.37)
	v) Aastha R. Gandhi	—	—	—	—	—	—
		(—)	(—)	(—)	(1.31)	(—)	(1.31)
7	**Interest Income :**						
	i) Vadilal International Pvt.Ltd.	—	—	—	—	6.00	6.00
		(—)	(—)	(—)	(—)	(6.00)	(6.00)
	ii) Padm Complex Ltd.	—	—	—	—	—	—
		(—)	(—)	(—)	(—)	(0.13)	(0.13)
8	**Share of profit/(loss) in Partnership Firm**						
	Vadilal Cold Storage	—	-150.32	—	—	—	—150.32
		(—)	(-3.62)	(—)	(—)	(—)	(-3.62)
9	**Royalty paid/payable :**						
	Vadilal International Pvt.Ltd.	—	—	—	—	20.19	20.19
		(—)	(—)	(—)	(—)	(17.90)	(17.90)
10	**Loan / Deposit Received**						
	i) Vadilal Marketing Pvt Ltd	—	—	—	—	245.00	245.00
		(—)	(—)	(—)	(—)	(—)	(—)
	ii) Devanshu L Gandhi	—	—	—	173.00	—	173.00
		(—)	(—)	(—)	(—)	(—)	(—)
	iii) Rajesh R Gandhi	—	—	—	77.00	—	77.00
		(—)	(—)	(—)	(—)	(—)	(—)
	iv) Kalpit R Gandhi	—	—	—	78.00	—	78.00
		(—)	(—)	(—)	(—)	(—)	(—)
	v) Padm Complex Ltd	—	—	—	—	—	—
		(—)	(—)	(—)	(—)	(1.80)	(1.80)
11	**Loan / Deposit Repaid**						
	i) Veronica Construction P. Ltd	—	—	—	—	33.12	33.12
		(—)	(—)	(—)	(—)	(—)	(—)
	ii) Byad Packaging Industries Pvt Ltd	—	—	—	—	54.11	54.11
		(—)	(—)	(—)	(—)	(—)	(—)
	iii) Vadilal Marketing Pvt Ltd	—	—	—	—	26.15	26.15
		(—)	(—)	(—)	(—)	(—)	(—)
	ivi) Devanshu L Gandhi	—	—	—	236.85	—	236.85
		(—)	(—)	(—)	(197.00)	(—)	(197.00)
	v) Rajesh R Gandhi	—	—	—	77.00	—	77.00
		(—)	(—)	(—)	(—)	(—)	(—)
	vi) Kalpit R Gandhi	—	—	—	78.00	—	78.00
		(—)	(—)	(—)	(—)	(—)	(—)

Sr. No.	Particulars of Transaction & Name of related party with whom transactions are more than 10%	Subsidiary	Control Exist	Associates	Key Management Personnel / Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
12	**Security Deposit Repaid**						
	i) Vadilal Enterprises Limited	—	—	—	—	—	—
		(—)	(—)	(—)	(—)	(650.00)	(650.00)
13	**Security Deposit Received:**						
	i) Vadilal Enterprises Ltd.	—	—	—	—	—	—
		(—)	(—)	(—)	(—)	(560.00)	(560.00)
B	**Balance outstanding at year end :**						
	a) Investments :						
	i) Vadilal Industries (USA) Inc	1.36	—	—	—	—	1.36
		(1.36)	(—)	(—)	(—)	(—)	(1.36)
	ii) Vadilal Cold Storage	—	140.00	—	—	—	140.00
		(—)	(140.00)	(—)	(—)	(—)	(140.00)
	iiii) Others	—	—	3.63	—	1.87	5.50
		(—)	(—)	(0.72)	(—)	(1.87)	(2.59)
	b) Receivable :						
	i) Vadilal Enterprises Ltd.*	—	—	—	—	342.17	342.17
		(—)	(—)	(—)	(—)	(1570.94)	(1570.94)
	ii) Vadilal Industries (USA) Inc	678.70	—	—	—	—	678.70
		(290.56)	(—)	(—)	(—)	(—)	(290.56)
	ii) Others	—	—	—	—	—	—
		(—)	(—)	(—)	(—)	(6.17)	(6.17)
	c) Loans & Advances Given:						
	i) Vadilal International Pvt.Ltd.	—	—	—	—	600.00	600.00
		(—)	(—)	(—)	(—)	(600.00)	(600.00)
	ii) Vadilal Cold Storage	—	29.03	—	—	—	29.03
		(—)	(208.40)	(—)	(—)	(—)	(208.40)
	d) Payable :						
	Loan / Deposit taken						
	i) Veronica Construction P. Ltd	—	—	—	—	—	—
		(—)	(—)	(—)	(—)	(33.12)	(33.12)
	ii) Byad Packaging Industries Pvt Ltd	—	—	—	—	—	—
		(—)	(—)	(—)	(—)	(54.11)	(54.11)
	iii) Vadilal Marketing Pvt Ltd	—	—	—	—	218.85	218.85
		(—)	(—)	(—)	(—)	(—)	(—)
	iii) Devanshu L Gandhi	—	—	—	—	—	—
		(—)	(—)	(—)	(63.85)	(—)	(63.85)
	Security Deposit Taken :						
	i) Vadilal Enterprises Ltd.	—	—	—	—	560.00	560.00
		(—)	(—)	(—)	(—)	(560.00)	(560.00)
	e) Against corporate guarantee given :						
	Vadilal Enterprises Ltd.	—	—	—	—	3059.12	3059.12
		(—)	(—)	(—)	(—)	(2009.00)	(2009.00)
	f) Against corporate guarantee taken:						
	i) Padm Complex Ltd & Volute Construction Ltd	—	—	—	—	9878.00	9878.00
		(—)	(—)	(—)	(—)	(9878.00)	(9878.00)
	g) Personal guarantee taken:						
	i) Directors	—	—	—	12040.00	—	12040.00
		(—)	(—)	(—)	(12480.00)	(—)	(12480.00)

Note :

a) Payment to key management personnel in form of Managing Director's remuneration is shown in Note No. 27.7

b) Transaction of sales and Outstanding of Trade Receivables are inclusive of VAT/CST.

c) Figures in brackets relate to previous year.

d) * Outstanding balances are shown net of Acceptance.

28.4) OPERATING LEASE:-

i) The company has taken various residential, office and godown premises under operating lease or leave and licence agreements.These are generally not non-cancellable and range between 11 months and 36 months under leave and licence or longer for other leases and are renewable by mutual consent on mutually agreeable terms.The company has given refundable interest free security deposits under certain agreements.

ii) Lease payments are recognised as expense in the Profit & Loss Statement on a straight line basis over the lease term under expense head "Rent" in Note 26 "Other Expenses."

iii) The future minimum estimated operating lease payments under non cancellable operating lease: (₹ in Lacs)

Particulars	Not later than one year	later than one & not later than five years
Total of minimum	-	-
Lease Payments	-	-

Note: Figures in brackets relate to previous year.

28.5) Earnings Per Share (EPS) :

The following reflect the profit and share data used in the basic and diluted EPS computation

(₹ in Lacs)

	C. Year	P. Year
Total Operation for the year		
Profit/(loss)after Tax	1632.96	1435.45
Net Profit/(loss) for calculating basic /diluted EPS	1632.96	1435.45
Weighted Avg.Number of Equity shares in calculating Basic/Diluted EPS	7187830	7187830

28.6) Disclosure as required by Accounting Standard (AS) 29 "Provisions, Contingent Liabilities and Contingent Assets :

a) Movement in provisions : (₹ in Lacs)

Sr. No.	Particulars of Disclosure	—— Class of Provisions — S. Tax / Entry Tax
1)	Balance as at 01.04.2016	28.65
2)	Additional provision during 2016-17	00.00
3)	Provision used during 2016-17	00.00
4)	Provision reversed during 2016-17	00.00
5)	Balance as at 31.03.2017	28.65

b) The timing and the probability of the outflow with regards to these matters depend on the ultimate settlement / conclusion with the relevant authorities.

29) Disclosure of SBN in financial statement:

Particulars	**SBN Amount**	**Others Amount**	**Total Amount**
Closing cash on hand as on 08.11.2016	33,46,000	9,38,196	42,84,196
Add: Permitted Receipts	—	53,54,226	53,54,226
Less: Permitted Payments	1,39,000	45,96,352	47,35,352
Less: Amount deposited in Banks	32,07,000	—	32,07,000
Closing cash on hand as on 30.12.2016	—	16,96,070	16,96,070

30) Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current years classification / disclosure.

Signatures to Notes 1 to 30

For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm Registration No.-104744W
Jinal A.Patel
Partner
Membership No.-153599
Place : Ahmedabad
Date : May 30, 2017

For and on behalf of the Board of Vadilal Industries Ltd.

Rajesh R.Gandhi : Chairman & Managing Director
Kalpit R.Gandhi : Director & Chief Financial Officer
Ruchita Gurjar : Company Secretary

Place : Ahmedabad
Date : May 30, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of VADILAL INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Vadilal Industries Limited,** ('the Holding Company'), its subsidiary and partnership firm (the holding company, its subsidiary, partnership firm together referred to as "Group") which comprise the balance sheet as at 31 March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Holding Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31 March 2017, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) in our opinion proper books of account as required by law have been kept by the Holding Company so far as it appears from our examination of those books;

the consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the books of account;

(c) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(d) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(e) With respect to the adequacy of the internal financial controls over financial reporting of the Holding company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"

(f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group as referred to in Note 26.3.

ii. the Group did not have any long term contracts, including derivate contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company except Rs. 0.15 Lacs which is held abeyance due to legal case pending.

iv. The Holding company has provided requisite disclosures in the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 based on the information available with the Holding company. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company and as produced to us by the Holding company's Management – Refer Note 27.7 of the financial statment.

Other Matters

We did not audit the financial statements of Partnership firm and Subsidiary whose financial statements reflect total assets (net) of ₹ 1,333.46 lacs as at March 31, 2017, and total revenues of ₹ 2,017.52 lacs and net cash inflows amounting to ₹ 227.57 Lacs for the year ended on that date, as considered in the consolidated financial statements.

These financial statements have been audited/reviewed by other auditors/ certified public accountant whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and Partnership firm and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and Partnership firm, is based solely on report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters.

For **KANTILAL PATEL & CO.,**
CHARTERED ACCOUNTANTS
Firm Reg. No. : 104744W

Jinal A Patel
Partner
Membership No. : 153599

Place : Ahmedabad
Date : May 30, 2017

"Annexure - A "

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Vadilal Industries Limited** ("the Holding Company") as of 31 March 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **KANTILAL PATEL & CO.,**
CHARTERED ACCOUNTANTS
Firm Reg. No. : 104744W

Jinal A Patel
Partner
Membership No. : 153599

Place : Ahmedabad
Date : May 30, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

Sr. No.	Particulars	Note	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
I	**EQUITY AND LIABILITIES**			
(1)	**Shareholders' Funds:**			
(a)	Share Capital	2	718.78	718.78
(b)	Reserves & Surplus	3	13858.70	11989.70
	Sub Total		14577.48	12708.48
(2)	**Minority Interest**		31.82	34.89
(3)	**Deferred Government Grant**		17.92	21.59
(4)	**Non-Current Liabilities**			
(a)	Long Term borrowings	4	3454.74	4555.36
(b)	Deferred tax liabilities(Net)	5	2003.87	1929.16
(c)	Long term provisions	6	154.97	133.06
	Sub Total		5613.58	6617.58
(5)	**Current Liabilities**			
(a)	Short term borrowings	7	6414.23	5397.85
(b)	Trade payables	8		
	Total Outstanding dues of Micro Enterprises and Small Enterprises		19.28	11.57
	Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		8378.72	7091.23
(c)	Other current liabilities	9	4033.12	4388.86
(d)	Short term provisions	6	221.71	357.79
	Sub Total		19067.06	17247.30
	TOTAL ->		39307.86	36629.84
II	**ASSETS**			
(1)	**Non-Current Assets**			
(a)	Plant, Property and Equipment	10	22470.58	21998.44
(b)	Intangible Assets		351.59	461.63
(c)	Capital Work - In - Progress		321.35	51.54
	Sub Total		23143.52	22511.61
(d)	Non-current Investments	11	25.92	40.30
(e)	Long-term loans and advances	12	1115.19	1336.27
(f)	Other non-current assets	13	45.99	52.40
	Sub Total		24330.62	23940.58
(2)	**Current Assets**			
(a)	Current Investments	14	1.08	1.10
(b)	Inventories	15	12407.34	9371.26
(c)	Trade receivables	16	1130.57	2158.05
(d)	Cash & Bank balances	17	669.63	422.30
(e)	Short term Loans & Advances	12	511.38	492.89
(f)	Other Current Assets	13	257.24	243.66
	Sub Total		14977.24	12689.26
	TOTAL ->		39307.86	36629.84
	Summary of significant accounting policies	2.1		
	The accompanying notes are an integral part of the financial statements			

As per our report of even date

For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm Registration No - 104744W

[Jinal A Patel]
Partner
Membership No - 153599
Place : Ahmedabad
Date : 30th May, 2017

For and on behalf of the Board

Rajesh R Gandhi : Chairman & Managing Director
Kalpit R Gandhi : Director & Chief Financial Officer
Ruchita Gurjar : Company Secretary

Place : Ahmedabad
Date : 30th May, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Sr. No.	Particulars	Note	Year Ended 31.03.2017 (₹ in Lacs)	Year Ended 31.03.2016 (₹ in Lacs)
I	Revenue From Operations (Gross)	18	48951.79	46064.22
	Less : Excise Duty		1147.02	1090.57
			47804.77	44973.65
	Other Income	19	219.62	106.64
	Total Revenue (I)		48024.39	45080.29
II	**Expenses :**			
	Cost of Materials Consumed	20	26050.26	24853.51
	Purchases of stock-in-Trade	21	267.59	65.29
	Changes in inventories of Finished goods and stock in trade	22	(555.16)	(91.48)
	Employee Benefits expenses	23	2894.79	2508.80
	Finance Cost	24	1549.47	2145.47
	Depreciation and amortization expenses	10	1450.75	1355.32
	Less : Recoupment from Deferred Government grant		3.67	3.67
	Sub Total		**1447.08**	**1351.65**
	Other Expenses	25	13484.70	11802.69
	Total (II)		**45138.73**	**42635.93**
III	Profit before Exceptional & extraordinary items and tax(I-II)		2885.66	2444.36
IV	Exceptional Items		0.00	0.00
V	Profit before extraordinary items and tax(III-IV)		2885.66	2444.36
VI	Extraordinary items		0.00	0.00
VII	Profit before Tax(V-VI)		2885.66	2444.36
VIII	Tax Expenses			
	(a) Current Tax		917.10	577.09
	(b) Deferred Tax charge / (release)		74.71	393.80
	(c) Short / (Excess) Provision of Tax / Deferred Tax of earlier years (Net)		30.81	3.01
			1022.62	973.90
IX	Profit for the period (VII – VIII)		1863.04	1470.46
X	Losses applicable to Minority Interest		3.07	0.07
XI	Share in Profit of Associate		0.00	5.63
XII	Profit for the period (IX -X - XI)		1866.11	1476.16
XIII	Earnings per equity share : (Refer Note 27.4)			
	Nominal Value of Share ₹ 10 (P.Y. ₹ 10)			
	Basic & Diluted			
	Computed on the basis of total profit for the year		25.92	20.46
	Summary of significant accounting policies	2.1		
	The accompanying notes are an integral part of the financial statements			

As per our report of even date

For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm Registration No - 104744W

[Jinal A Patel]
Partner
Membership No - 153599
Place : Ahmedabad
Date : 30th May, 2017

For and on behalf of the Board

Rajesh R Gandhi : Chairman & Managing Director
Kalpit R Gandhi : Director & Chief Financial Officer
Ruchita Gurjar : Company Secretary

Place : Ahmedabad
Date : 30th May, 2017

CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET

		For the year ended 31.03.2017 (₹ in Lacs)	(₹ in Lacs)	For the year ended 31.03.2016 (₹ in Lacs)	(₹ in Lacs)
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before tax and Exceptional Items from continuing operations	2885.66		2444.36	
	Non-cash adjustments to reconcile profit before tax to net cash flows				
	Depreciation and amortisation expense	1450.75		1355.32	
	Withdrawn From Deferred Government Grant	(3.67)		(3.67)	
	Loss / (Profit) on sale of Assets	(15.82)		(28.81)	
	Provision for Doubtful advances	190.12		9.83	
	Provision for Doubtful debts	8.45		10.66	
	Advances written off	23.65		0.00	
	Upfront Interest on restructuring of Loan	1.37		8.58	
	Diminution in value of Current Investments	0.02		0.04	
	Excess Provision written back	(126.74)		(2.48)	
	Profit on sale of Investments	(2.77)		(8.67)	
	Dividend	(0.13)		(0.13)	
	Interest expenses	1549.47		2145.47	
	Interest Income	(36.83)		(40.67)	
	Exchange rate difference on consolidation	5.56		(12.15)	
	Operating Profit before working capital changes	5929.09		5877.68	
	Movements in working capital :				
	Increase / (decrease) in trade payables	1421.94		610.94	
	Increase / (decrease) in long term provisions	21.91		16.89	
	Increase / (decrease) in short term provisions	24.43		28.34	
	Increase / (decrease) in other current liabilities	(110.22)		220.53	
	Decrease / (increase) in trade receivable	1032.06		(610.56)	
	Decrease / (increase) in inventories	(3036.08)		361.33	
	Decrease / (increase) in long term loans and advances	(107.62)		15.56	
	Decrease / (increase) in short term loans and advances	(232.25)		240.77	
	Decrease / (increase) in other current assets	(14.35)		(13.25)	
	Cash Generated from Operations	4928.90		6748.23	
	Direct taxes paid (net of refunds)	(671.57)		(392.49)	
	Cash flow before extraordinery items	4257.33		6355.74	
	Net Prior Year Expenses	0.00		0.00	
	Net Cash Flow from Operating Activities		4257.33		6355.74
B	**CASH FLOWS FROM INVESTING ACTIVITIES**				
	Loans given (Net)	0.00		17.92	
	Purchase of Property, Plant and Equipment	(2098.92)		(1274.55)	
	Sale of Property, Plant and Equipment	31.96		28.97	
	Purchase of Current Investments	(1300.00)		(1790.00)	
	Investments in bank deposits (having original maturity of more than three months	(16.75)		33.93	
	Proceeds from Sale / maturity of Investments	1302.77		1798.67	
	Interest received	36.23		56.67	
	Dividend received	0.13		0.13	
	Deferred Government grant received	0.00		0.00	
	Net Cash flow used in Investing Activities		(2044.58)		(1128.26)
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Long Term borrowings	919.67		654.97	
	Repayment of Long Term Borrowings	(2243.09)		(2649.55)	
	Proceeds of Short Term borrowings	1644.39		450.60	
	Repayment of Short Term Borrowings	(628.01)		(1476.17)	
	Interest paid	(1575.84)		(2185.83)	
	Dividends paid on equity shares	(87.42)		(73.87)	
	Tax on equity dividend paid	(18.29)		(12.21)	
	Net Cash used in Financing Activities		(1988.59)		(5292.06)
	Net Increase/(Decrease) in cash and Cash equivalents (A+B+C)		224.17		(64.58)
	Op. Balance of Cash and Cash Equivalents (Includes unrealised Exchange rate difference of ₹ Nil (P,Y, ₹ 0.16 Lacs)		286.95		351.53
	Cl. Balance of Cash and Cash Equivalents (Includes unrealised Exchange rate difference of ₹ Nil (P,Y, ₹ Nil Lacs)		511.12		286.95
	Major Components of Cash and Cash Equivalents as at		31.03.2017		31.03.2016
	Cash and Cheques on hand		20.29		37.15
	Balance With Banks				
	On Current Accounts		325.88		64.85
	On Unpaid Dividend Accounts *		21.23		18.79
	On Fixed / Margin Money Deposit Accounts		143.72		166.16
	(Includes ₹ 100.59 Lacs (P.Y. ₹ 90.59) in Deposit Repayment Reserve Account)		-		-
			511.12		286.95

Notes :
1. The above Cash Flow has been prepared under Indirect Method set out in AS 3, issued by Companies (Accounting Standard) Rules, 2006.
2. Figures in brackets represents outflow.
3. Previous Year figures have been restated wherever necessary to make them comparable with current year figures.

* The Company can utilise this balance only towards settlement of the unclaimed dividend

This is the Cash Flow Statement referred to in our report of even date
For KANTILAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm Registration No - 104744W

[Jinal A Patel]
Partner
Membership No - 153599
Place : Ahmedabad
Date : 30th May, 2017

For and on behalf of the Board

Rajesh R Gandhi : Chairman & Managing Director
Kalpit R Gandhi : Director & Chief Financial Officer
Ruchita Gurjar : Company Secretary

Place : Ahmedabad
Date : 30th May, 2017

Note : 1

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :

A) ACCOUNTING CONVENTION :

The consolidated financial statements have been prepared in accordance with Accounting standard (AS) 21 - "Consolidated Financial Statements" and Accounting standard (AS) 23 - " Accounting for investments in associates" issued by the Institute of Chartered Accountants of India.

B) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to " Vadilal Industries Ltd."(The parent Company), Vadilal Industries (USA) Inc.,a subsidiary company, Vadilal Cold Storage (Partnership Firm) and Vadilal Forex and Consultancy Services Ltd (An Associate Company). The consolidated statements have been prepared on the following basis.

a) The financial statements have been combined on a line -by-line basis by adding together the book values of like items of Assets, Liabilities, Income and Expenses. The intra-group balances and intra-group transactions and unrealised profits or losses have been fully eliminated .

b) The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstance and are presented to the extent possible, in the same manner as the parent company's separate financial statements.

c) The difference between the cost/carrying amount of investments over the net assets is recognised in financial statements as goodwill or capital reserve as the case may be.

d) Minority interest's share of net profit/loss of consolidated for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders.

e) In case of associates where the company holds more than 20 % of equity ,investments in associates are accounted for using equity method in accordance with Accounting Standard - (AS 23) " Accounting for investments in associates in consolidated financial statements" issued by the Institute of Chartered Accountants of India.

f) The company accounts for its share in the change in the net assets of the associate, post Acquisition, after eliminating unrealised profit and losses resulting from transactions between the company and its associate to the extent of its share, through its profit and loss account to the extent such change is attributable to the associate's profit and loss account and through its reserves for the Balance, based on available information.

g) The difference between the carrying amount of investments in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the financial statements as goodwill or capital reserve as the case may be.

h) In case of foreign subsidiary, being non-integral foreign operations,

1) Revenue items are translated into rupees at the average rate prevailing during the year, which is not as per requirements of AS-11, but having no material effect on the results of consolidated accounts.

2) All balance sheet items are translated into rupees using the year end exchange rate.

3) All resulting exchange differences are accumulated in a Foreign Currency Translation Reserve Account.

C) Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on Accounting for Investments.

D) OTHER SIGNIFICANT ACCOUNTING POLICIES :

These are set out in the notes to financial statements under "Statement of accounting policies" of the financial statements of Vadilal Industries Ltd.

NOTES TO CONSOLIDATED BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
NOTE - 2		
SHARE CAPITAL		
Share capital		
Authorized shares	1500.00	1500.00
1,50,00,000 (31 March 2016: 1,50,00,000) equity shares of ₹. 10/- each		
	1500.00	**1500.00**
Issued, subscribed and fully paid-up shares		
Issued and Subscribed :		
71,88,230 (31 March 2016: 71,88,230) equity shares of ₹ 10/- each	718.82	718.82
	718.82	**718.82**
Paid up :		
71,87,830 (31 March 2016: 71,87,830) equity shares of ₹ 10/- each	718.78	718.78
Total paid-up share capital		
	718.78	**718.78**

a **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

	31st March, 2017		31st March, 2016	
	Nos	₹ in Lacs	Nos	₹ in Lacs
Equity shares				
At the beginning of the period	7187830	718.78	7187830	718.78
Outstanding at the end of the period	7187830	718.78	7187830	718.78

b **Terms / rights attached to equity shares**

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c **Shares held by holding/ultimate holding company and/or their subsidiaries / associates**

The Company does not have any holding company.

d **Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

Nil

e **Details of shareholders holding more than 5% shares in the company**

	31st March, 2017		31st March, 2016	
	Nos	% holding in the class	Nos	% holding in the class
Vadilal International Pvt. Ltd.	2809704	39.09%	2809704	39.09%

As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
NOTE – 3		
RESERVES & SURPLUS		
Capital Reserve		
Closing Balance	8.84	8.84
Securities Premium Account		
Closing Balance	487.27	487.27
Revaluation Reserve		
Balance as per last Financial Statements	6028.19	6068.71
Less : Depreciation to the extent on account of revaluation of Property, Plant and Equipment, transferred to General Reserve	40.50	40.52
Closing Balance	5987.69	6028.19
General Reserve		
Balance as per last Financial Statements	5000.00	3800.00
Add : Amount transferred from surplus balance in the statement of profit and loss	0.00	1159.48
Add : Depreciation to the extent on account of revaluation of Property, Plant and Equipment transferred from Revaluation reserve	40.50	40.52
Closing Balance	5040.50	5000.00
Foreign Currency Translation Reserve		
Balance as per last Financial Statements	(61.15)	(49.00)
Less : Current Year Transfer	(5.56)	12.15
Closing Balance	(55.59)	(61.15)
Surplus in the statement of profit and loss		
Balance as per last Financial Statements	526.56	318.01
Profit for the year	1866.11	1476.16
Less : Share of Loss of Associate due to sale of Investments	2.68	0.00
Less : Appropriations		
Proposed final equity dividend	0.00	89.85

Tax on proposed equity dividend	0.00	18.29
Transferred to General reserve	0.00	1159.48
Total Appropriations	0.00	1267.62
Net Surplus / (Deficit) in the statement of profit and loss	2389.99	526.55
Total Reserves and Surplus	13858.70	11989.70

	Non – Current		Current Maturities	
	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
NOTE – 4				
LONG TERM BORROWINGS				
Term Loans				
From Banks (Secured)	2215.26	3806.53	1702.50	1560.40
From Financial Institutions (Secured)	0.00	0.00	0.00	200.00
From Others (Unsecured)	0.00	2.93	2.93	78.31
	2215.26	3809.46	1705.43	1838.71
Deposits (Unsecured)				
Public Fixed Deposits	1239.48	745.90	290.72	380.24
	1239.48	745.90	290.72	380.24
Total	3454.74	4555.36	1996.15	2218.95
The above amount includes :				
Secured borrowings	2215.26	3806.53	1702.50	1760.40
Unsecured borrowings	1239.48	748.83	293.65	458.55
Less : Amount disclosed under the head "Other current Liabilities" Note – 9			(1702.50)	(1760.40)
Less : Amount disclosed under the head "Other current Liabilities" Note – 9			(293.65)	(458.55)
Total	**3454.74**	**4555.36**	**0.00**	**0.00**

Repayment Schedule of Loans

	Sanctioned / Disbursed Amount	As at 31.03.2017	As at 31.03.2016	Rate of Interest	No of installment	Amount of installment
Term Loans From Banks						
Bank of Baroda	1000.00	0.00	150.00	12.65%	-	-
Bank of Baroda	1400.00	303.33	583.33	12.65%	13 Monthly	23.33
Bank of Baroda	2000.00	1222.22	1555.55	13.80%	43 Monthly	27.78
					1 Monthly	27.62
State Bank of Travancore	1000.00	112.25	313.50	12.90%	6 Monthly	16.75
					1 Monthly	11.75
State Bank of Travancore	1000.00	112.25	313.50	12.90%	6 Monthly	16.75
					1 Monthly	11.75
State Bank of India	900.00	262.50	450.00	14.75%	7 Quarterly	37.50
State Bank of India	2100.00	1684.25	1804.25	14.75%	32 Monthly	52.00
					1 Monthly	20.25
Vehicle Loans						
HDFC Bank Limited	-	220.96	196.80		From 17 to 54 Monthly Installments *	
From Financial Institutions						
Export-Import Bank of India	1000.00	0.00	200.00			
Others						
IBM India Pvt Ltd	135.11	2.93	35.90	12.50%	1 Quarterly	2.93

Repayment Schedule of Loans

	Sanctioned / Disbursed Amount	As at 31.03.2017	As at 31.03.2016	Rate of Interest	No of installment	Amount of installment
Magma Fincorp Ltd	150.00	0.00	45.34	16.10%		
Total		3920.69	5648.17			
Fixed deposits		1530.20	1126.14	9.50 % to 11.00%	12 months to 36 months based on period of deposit	

*Includes Interest portion

A 1) Existing Term Loan from IDBI, SBI and Exim Bank aggregating to ₹ 2100.00 Lacs, Term Loan from BOB, SBI and Exim Bank aggregating to ₹ 3000.00 Lacs, Further Term Loan from BOB and SBT aggregating to ₹ 3400.00 Lacs, Additional Term Loan of ₹ 900.00 Lacs and ₹ 2100.00 from SBI and Corporate Loan of ₹ 2000.00 Lacs from BOB are secured by way of English Mortgage on immovable properties and hypothecation on movable properties of the Company situated at the following places by way of 1st and 2nd charge on pari-passu basis :-

i Dudheshwar, Ahmedabad (Ice-cream Plant) (1st charge) (Owned Property)

ii Dharampur, Dist.: Valsad (Canning Unit) (1st charge) (Owned Property)

iii Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st charge) (Owned Property)

iv Village: Pundhra, Tal.: Kalol, Dist.: Gandhinagar (Ice-cream Plant) (1st charge) (Owned Property)

v Unit – I, Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (1st charge) (Leased Property)

vi Dharampur, Dist.: Valsad (IQF unit - excluding specific plant & machineries) (2nd charge) (Owned Property)

vii Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd charge) (Owned Property)

viii Dharampur, Dist.: Valsad (New land) (1st charge) (Owned Property)

ix Unit – II, Parsakhera Industrial Estate, Bareilly, U.P. (Ice-cream Plant) (only on movable properties as 1st charge) (excluding specific plant & machineries)

x Gomtipur, Ahmedabad (earlier in Gujarat Cup Company, a Partnership Firm) (only on movable properties as 1st charge)

xi Gomtipur, Ahmedabad (earlier in Vadilal Cone Company) (only on movable properties as 1st charge)

2) Term Loan aggregating to ₹ 3000.00 Lacs from BOB, SBI and Exim Bank, Further Term Loan aggregating to ₹ 3400.00 Lacs from BOB and SBT, Additional Term Loan of ₹ 900.00 Lacs and ₹ 2100.00 Lacs from SBI and Corporate Loan of ₹ 2000.00 Lacs from BOB as above are also secured by mortgage and hypothecation on immovable and movable properties of the Company situated at Bareilly, Parsakhera Industrial Area, U.P. (New Land - F-12) (Leased Property)

3) The above Term Loans are also secured by way of Hypothecation on entire current assets of the Company on 2nd pari-passu charge basis.

4) Vehicle loans are secured by hypothecation of vehicles.

5) The Term Loans are also secured by Personal Guarantee of some of the Directors of the Company and also guaranteed by Three Companies

	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
NOTE – 5		
DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability		
Property, Plant and Equipment : Impact of difference between tax Depreciation and depreciation / amortisation charged for the financial reporting	2140.29	2041.10
Others	0.00	0.59
	2140.29	2041.69
Deferred Tax Assets		
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	116.06	97.25
Others	20.36	15.28
	136.42	112.53
Deferred Tax Liability (Net)	**2003.87**	**1929.16**

	Long term		Short term	
	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
NOTE – 6				
PROVISIONS				
Employee Benefits :				
Provision for Gratuity	154.97	133.06	64.31	54.18
Compensated absences	0.00	0.00	100.72	86.42
Others :				
Income Tax Less Advance Tax (Current Tax)	0.00	0.00	28.03	80.40
Proposed Equity Dividend	0.00	0.00	0.00	89.85
Provision for Tax on Proposed Equity Dividend	0.00	0.00	0.00	18.29
Other Provisions	0.00	0.00	28.65	28.65
	154.97	133.06	221.71	357.79

	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
Note – 7		
SHORT TERM BORROWINGS		
Loans Repayable on Demand		
From Banks		
Working Capital Loans (Secured)	4648.68	3989.64
Foreign Currency Loan (Buyers Credit) (Secured)	0.00	49.36
Working Capital Loans (Unsecured)	800.00	0.00
	5448.68	4039.00
Loans/Deposits from Related Parties (Unsecured) (Refer Note 27.2)	0.00	151.07
Deposits (Unsecured)		
Public Fixed Deposits	234.70	222.03
Inter Corporate deposits	730.85	985.75
	965.55	1207.78
	6414.23	5397.85
The above amount includes :		
Secured borrowings	4648.68	4039.00
Unsecured borrowings	1765.55	1358.85
	6414.23	5397.85

A 1) Working Capital facilities from Consortium Banks, namely, BOB, SBI, SBT, IDBI and Exim Bank aggregating to ₹ 6528.00 Lacs (enhanced from ₹ 4525.00 Lacs) and additional Working Capital Facilities aggregating to ₹ 575.00 Lacs from BOB are secured by way of English Mortgage on immovable properties and hypothecation on movable properties of the Company situated at the following places by way of 1st and 2nd charge on pari-passu basis :-

- i Dudheshwar, Ahmedabad (Icecream Plant) (2nd Charge) (Owned property)
- ii Dharampur, Dist. : Valsad (Canning Unit) (2nd Charge) (Owned property)
- iii Basement and 3rd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (2nd Charge) (Owned property)
- iv Village Pundhra, Taluka Kalol, Dist. : Gandhinagar (Icecream Plant) (2nd Charge) (Owned property)
- v Unit - I, Parsakhera Industrial Estate,Bareilly,U.P. (Icecream Plant (2nd Charge) (Leased property)
- vi Dharampur, Dist,: Valsad (IQF Unit - excluding specific plant & machineries) (1st charge) (Owned property)
- vii Ground and 2nd Floor, Vadilal House, Navrangpura, Ahmedabad (Office Complex) (1st Charge) (Owned property)
- viii 4 Flats No. 801 to 804, Maruti Centre, Gurukul, Drive-in Road, Ahmedabad (Flats) (1st Charge) (Owned property)
- ix Unit - II, Parsakhera Industrial Estate, Bareilly, U.P. (Icecream Plant) (Only on movable properties as 2nd Charge) (Excluding specific plant & machineries)
- x Gomtipur,Ahmedabad (earlier in Gujarat Cup Company, a Partnership Firm) (Only on movable properties as 2nd Charge)
- xi Gomtipur, Ahmedabad (earlier in Vadilal Cone Company) (Only on movable properties as 2nd Charge)
- XII Dharampur, Dist : Valsad (New land) (2nd charge) (Owned property)
- XIII Bareilly, Parsakhera Industrial area, U.P. (New land – F-12) (2nd Charge) (Leased property)

2) The above Working Capital facilities are also secured by way of hypothecation on entire current assets of the Company on 1st pari-passu charge basis.

B Working Capital facilities are also secured by Personal Guarantee of some of the Directors of the Company and also guaranteed by Three Companies

C The cash credit and working capital demand loan is repayable on demand and carries interest @ 12.25 % to 13.25 %

D The Working Capital loan (Unsecured) is repayable on demand and carries interest @ 10.00 %.

E Loans and Advances from Related Parties are repayable on demand and carry interest @ 10.50 %

F inter corporate deposits are repayable between 60 days to 200 days and carry Interest @ 10.50 % to 15.00 %

G Fixed deposits are repayable for 12 months and carry interest @ 9 %

	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2015 (₹ in Lacs)
NOTE – 8		
TRADE PAYABLES		
Micro Small and Medium Enterprises	19.28	11.57
Others (Including acceptances of ₹ 2268.56 Lacs (P.Y. ₹ 2453.12 Lacs))	8378.72	7091.23
	8398.00	7102.80
NOTE – 9		
OTHER CURRENT LIABILITIES		
Current Maturities of Long Term debts (Refer Note 4)		
From Banks	1702.50	1560.40
From Financial Institutions	0.00	200.00
From Others	2.93	78.31
Public Deposits (Refer Note 4)	290.72	380.24
Interest Accrued but not due on borrowings	65.61	89.50
Interest Accrued and due on borrowings	56.53	59.01
Unclaimed Dividends *	21.22	18.79
Unclaimed Matured deposits and Interest accrued thereon *	15.00	15.82
Book Overdraft in current account with Banks	46.24	29.45
Payable for Capital Goods	362.66	376.37
Other Payables -		
Statutory dues payable	421.38	548.33
Advance from Customers	9.93	26.80
Security Deposits from Customers	960.37	864.89
Others	78.03	140.95
	4033.12	4388.86

* Does not include any amounts outstanding as on 31.03.2017 which are required to be credited to Investor Education and Protection Fund

NOTE – 10 (Refer B on Note 2.1) **₹ in Lacs**

Description of Assets	Gross Block (At Cost) As at 01/04/2016	Additions	Deductions	As at 31/03/2017	Depreciation / Amortisation Upto 31/03/2016	For the Year	Deduction	Upto 31/03/2017	Net Block As at 31/03/2017	Net Block As at 31/03/2016
i) Property, Plant and Equipment										
Land Freehold	4,387.49	-	-	4,387.49	-	-	-	-	4,387.49	4,387.49
Land Leashold	1,328.87	-	-	1,328.87	91.85	22.43	-	114.28	1,214.59	1,237.02
Buildings	7,726.04	143.70	-	7,869.74	3,361.50	204.05	-	3,565.55	4,304.19	4,364.54
Leashold Improvements	17.13	-	-	17.13	5.46	1.80	-	7.26	9.87	11.67
Plant & Machinery	20,126.59	1,605.73	34.19	21,698.13	8,560.99	979.93	19.16	9,521.76	12,176.37	11,565.60
Furniture and fixtures	245.79	6.82	-	252.61	147.38	10.04	-	157.42	95.19	98.41
Office equipments	524.79	51.95	15.94	560.80	411.99	64.51	14.83	461.67	99.13	112.80
Vehicles	428.00	-	11.28	416.72	207.09	37.16	11.28	232.97	183.75	220.91
Total (a)	**34,784.70**	**1,808.20**	**61.41**	**36,531.49**	**12,786.26**	**1,319.92**	**45.27**	**14,060.91**	**22,470.58**	**21,998.44**
Previous Year	**33,692.03**	**1,121.22**	**28.55**	**34,784.70**	**11,571.34**	**1,243.31**	**28.39**	**12,786.26**	**21,998.44**	**22,120.69**
ii) Intangible assets:										
Software and development costs	675.16	21.21	-	696.37	213.53	131.25	-	344.78	351.59	461.63
Total (b)	**675.16**	**21.21**	**-**	**696.37**	**213.53**	**131.25**	**-**	**344.78**	**351.59**	**461.63**
Previous Year	**533.17**	**141.99**	**-**	**675.16**	**101.79**	**111.74**	**-**	**213.53**	**461.63**	**431.38**
Total (a+b)	**35,459.86**	**1,829.41**	**61.41**	**37,227.86**	**12,999.79**	**1,451.17**	**45.27**	**14,405.69**	**22,822.17**	**22,460.07**
Previous Year	**34,225.20**	**1,263.21**	**28.55**	**35,459.86**	**11,673.13**	**1,355.05**	**28.39**	**12,999.79**	**22,460.07**	**22,552.07**
iii) Capital Work in progress	51.54	269.81	-	321.35	-	-	-	-	321.35	51.54
Previous Year	**60.89**	**95.92**	**105.27**	**51.54**	**-**	**-**	**-**	**-**	**51.54**	**60.89**
Grand Total	**35,511.40**	**2,099.22**	**61.41**	**37,549.21**	**12,999.79**	**1,451.17**	**45.27**	**14,405.69**	**23,143.52**	**22,511.61**
Previous Year	**34,286.09**	**1,359.13**	**133.82**	**35,511.40**	**11,673.13**	**1,355.05**	**28.39**	**12,999.79**	**22,511.61**	**22,612.96**

Notes 1 Land & Building includes ₹ 29.94 lacs (Gross) (P.Y. ₹ 29.94 lacs) & ₹ 151.61 lacs (Gross) (P.Y. ₹ 151.61 lacs) respectively in process of being transferred in the name of the company.

2 Building includes House Building of ₹ 12.90 lacs (Gross) (P.Y. ₹ 12.90 lacs) acquired against loan which is yet to be transferred in the name of the company.

3 Capital Work in progress includes -

₹ 321.35 Lacs (P.Y. ₹ 51.54 Lacs) on account of Construction materials and Plant & machinery under installation at site.

	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
NOTE – 11		
NON-CURRENT INVESTMENTS (LONG TERM)		
Trade Investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Others		
In Associate		
Nil (P.Y. 72500) equity shares of ₹ 10 each fully paid up	0.00	0.72
In Vadilal Forex and consultancy services Ltd		
(At cost less provision for other than temporary diminuition		
₹ Nil (P.Y. ₹ 6.53 Lacs))		
Add : Accumulated Profits since 2012-13 onwards	0.00	15.01
	0.00	15.73
Investment in Property *		
(Gross Block - ₹ 20.69 Lacs - Accumulated depreciation ₹ 0.61 Lacs)	20.08	20.42
Non trade Investments (valued at cost unless stated otherwise)		
Government and Trust Securities		
Unquoted		
7 Year National Saving Certificates	0.28	0.28
(Lodged with Govt. Authorities)		
Other Investments		
Equity Instruments		
Unquoted		
36250 (P.Y. Nil) equity shares of ₹ 10 each fully paid up	3.63	0.00
In Vadilal Forex and consultancy services Ltd		
74100 (P.Y. 74100) equity shares of ₹ 10 each fully paid up		
In Majestic Farm House Ltd.	1.87	1.87
280 (P.Y. 280) equity shares of ₹ 10 each fully paid up	0.03	0.03
In Padm Complex Ltd.		
280 (P.Y. 280) equity shares of ₹ 10 each fully paid up	0.03	0.03
In Volute Construction Ltd.		
Nil (P.Y. 4195) equity shares of ₹ 25 each fully paid	0.00	1.05
In Textile Traders Coop Bank Ltd		
Nil (P.Y. 3540) equity shares of ₹ 25 each fully paid	0.00	0.89
In Siddhi Coop Bank Ltd		
	25.92	40.30
Aggregate amount of unquoted investments	25.92	40.30

* The property is in process of transfer in the name of the company

	Non – Current		Current	
	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
NOTE – 12				
LOANS AND ADVANCES				
Unsecured, Considered good unless otherwise stated				
Capital Advances	68.12	20.60	0.00	0.00
Advances recoverable in cash or in kind or for value to be received (Refer Note 27.2)				
Considered Good	0.00	0.00	374.97	227.13
Considered Doubtful	0.00	0.00	39.70	20.21
Less : Provided for	0.00	0.00	39.70	20.21
Net Considered doubtful	0.00	0.00	0.00	0.00
Sub Total	0.00	0.00	374.97	227.13

	Non – Current		Current	
	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
Other Loans and Advances				
Loans to employees	4.59	2.32	12.14	9.02
Prepaid Expenses	0.97	1.26	82.70	78.62
Deposits with Government Authorities	140.64	105.88	41.57	7.50
Advance Income Tax less Provisions	1.04	34.32	0.00	0.00
MAT Tax entitlement (Refer Note 26.6)	187.74	483.17	0.00	0.00
Other Trade / Security Deposits (Refer Note 27.2)	712.09	688.72	0.00	0.00
Loans in Current Account (Refer Note 26.4)				
Considered Good	0.00	0.00	0.00	170.62
Considered Doubtful	0.00	0.00	170.62	0.00
Less : Provided for	0.00	0.00	170.62	0.00
Net Considered doubtful	0.00	0.00	0.00	0.00
Sub total	1047.07	1315.67	136.41	265.76
Total	**1115.19**	**1336.27**	**511.38**	**492.89**
NOTE – 13				
Other Assets				
Unsecured, Considered good unless otherwise stated				
Deposits with original maturity for more than 12 months (Refer Note No. 17)	45.99	52.40	0.00	0.00
Unamortised Borrowing cost	0.00	0.00	0.00	1.37
Interest Receivable	0.00	0.00	7.42	6.82
Export Benefits Receivable	0.00	0.00	81.63	78.29
Subsidy Receivable	0.00	0.00	168.19	157.18
	45.99	52.40	257.24	243.66

	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
NOTE – 14		
CURRENT INVESTMENTS (Valued at lower of cost and fair value)		
Quoted Equity Instruments		
400 (P.Y. 400) equity shares of ₹ 10 each fully paid-up in Aminex Chemicals Ltd.	0.04	0.04
15 (P.Y. 15) equity shares of ₹ 10 each fully paid-up in Century Enka Ltd	0.06	0.06
60 (P.Y. 60) equity shares of ₹ 10 each fully paid-up in Essar Steel Ltd.	0.01	0.01
200 (P.Y. 200) equity shares of ₹ 10 each fully paid-up in Golden Agro Tech Industries Ltd	0.02	0.02
100 (P.Y. 100) equity shares of ₹ 10 each fully paid-up in Great Eastern Shipping Co.Ltd	0.04	0.04
25 (P.Y. 25) equity shares of ₹ 10 each fully paid-up in Great Offshore Ltd	0.01	0.01
25000 (P.Y. 25000) equity shares of ₹ 1 each fully paid-up in Interface Financial Services Ltd	2.00	2.00
4900 (P.Y. 4900) equity shares of ₹ 10 each fully paid-up in Radhe Developers Ltd	0.49	0.49
2500 (P.Y. 2500) equity shares of ₹ 10 each fully paid-up in Saket Projects Ltd	0.25	0.25
900000 (P.Y. 900000) equity shares of ₹ 1 each fully paid-up in Sanara Media Ltd.	1.24	1.24
	4.16	4.16
Less : Diminution in value of Investments	3.08	3.06
Total (II)	1.08	1.10
Aggregate amount of quoted investments (Market value ₹ 2.97 Lacs(P.Y. ₹ 1.83 Lacs))	4.16	4.16
Aggregate provision for diminution in value of Investments	3.08	3.06

	As At 31.03.2017 (₹ in Lacs)	As At 31.03.2016 (₹ in Lacs)
NOTE – 15		
INVENTORIES		
Stores & Spares	511.96	424.16
Raw Materials	5616.55	3284.71
Packing Materials	1520.87	1459.59
Finished Goods	4757.96	4202.80
	12407.34	9371.26
NOTE – 16		
TRADE RECEIVABLES		
Unsecured, Considered good unless otherwise stated		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	52.74	26.11
Considered Doubtful	19.06	23.64
Less : Provided for	19.06	23.64
	0.00	0.00
	52.74	26.11
Other receivables (Considered Good) (Refer Note 27.2)	1077.83	2131.94
	1130.57	2158.05
of the above debts (exceeding six months) -		
Secured Considered good	28.79	10.13
Unsecured Considered good	23.95	15.98
	52.74	26.11
of the above debts (other receivables) -		
Secured Considered good	52.88	43.04
Unsecured Considered good	1024.95	2088.90
	1077.83	2131.94
NOTE – 17		
CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with Banks		
On Current Accounts	325.88	64.85
On Deposit Repayment Reserve Account	100.59	90.59
Deposits / Margin Money Deposits with original maturity of less than three months43.13	75.57	
On Unpaid Dividend a/c	21.23	18.79
Cash Balance on hand	20.29	37.15
	511.12	286.95
Other Bank Balances		
Deposits with original maturity for more than three months	132.16	135.67
(Includes Security deposit with banks Rs 131.34 Lacs P. Y. Rs 134.84 Lacs)		
Margin Money deposit (towards guarantee and LC issued by banks)	72.34	52.08
	204.50	187.75
	715.62	474.70
Less : Deposits with original maturity of more than 12 months	45.99	52.40
Amount disclosed under non-current assets (Refer Note 13)		
	669.63	422.30

	Year Ended 31.03.2017 (₹ in Lacs)	Year Ended 31.03.2016 (₹ in Lacs)
NOTE – 18		
REVENUE FROM OPERATIONS		
Sale of Products (Refer Note below)		
Finished Goods	48511.38	45672.64
Sale of Services	9.47	7.77
Income from Money Changing Business		
Other Operating Revenues		
Export Licences / DEPB	148.87	139.86
Miscellaneous Sales	88.01	73.01
Others	194.06	170.94
	48951.79	46064.22
Details of Products sold (Gross)		
Finished Goods		
Ice Cream & Frozen Desserts	43080.84	39803.13
Fruit Pulp,Frozen Fruits, Vegetables & Ready to eat / serve	4360.19	5291.41
Other Dairy Products	1070.35	578.10
	48511.38	45672.64
Note - The Company is engaged in the manufacturing and trading of selected Fruit Pulp, Frozen Fruits, Vegetables & Ready to eat / serve Products. Due to complexities, it is not possible to seggregate the information regarding Sales, consumption and inventories of such products into Finished goods and traded goods		
NOTE – 19		
OTHER INCOME		
Interest Income	36.83	40.67
Dividend Income		
On Long Term Investments	0.13	0.13
Foreign Exchange Gain (Net)	0.00	24.62
Profit on Sale of Investments	2.77	8.67
Other Income		
Profit on Sale of Property, Plant and Equipment	15.82	28.81
Excess Provisions / Sundry Balances written back	126.74	2.48
Miscellaneous Income	37.33	1.26
Total	**219.62**	**106.64**
NOTE – 20		
COST OF MATERIALS CONSUMED		
Inventory at the beginning of the year	4744.30	5200.32
Add : Purchases	28443.38	24397.49
	33187.68	29597.81
Less : Inventory at the end of the year	7137.42	4744.30
Cost of Materials consumed	**26050.26**	**24853.51**
Details of Materials consumed -		
Milk and Milk Products	7521.91	6112.28
Dry Fruits, Fresh Fruits & Vegetables	3479.03	3471.95
Packing Materials	5403.51	5330.65
Others	9645.81	9938.63
Total	**26050.26**	**24853.51**
Details of Inventory -		
Milk and Milk Products	3586.76	1262.60
Dry Fruits, Fresh Fruits & Vegetables	361.89	879.72
Packing Materials	1520.87	1459.59
Others	1667.90	1142.39
Total	7137.42	4744.30

	Year Ended 31.03.2017 (₹ in Lacs)	Year Ended 31.03.2016 (₹ in Lacs)
NOTE – 21		
PURCHASE OF TRADED GOODS		
Fruit Pulp, Frozen Fruits & Vegetables	197.55	47.10
Others	70.04	18.19
Total	267.59	65.29
NOTE – 22		
CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE		
Opening Stock :		
Finished Goods	4202.80	4111.32
	4202.80	4111.32
Closing Stock :		
Finished Goods	4757.96	4202.80
	4757.96	4202.80
Net Changes in Inventories	**(555.16)**	**(91.48)**
Details of Inventory -		
Finished Goods		
Ice Cream & Frozen Desserts	2521.43	2238.87
Fruit Pulp,Frozen Fruits & Vegetables	2236.53	1963.93
	4757.96	4202.80
NOTE – 23		
EMPLOYEE BENEFITS EXPENSES		
Salary, Wages, Allowances & Bonus, etc	2486.71	2178.20
Contribution to Provident & other funds	191.41	148.02
Staff Welfare Expenses	216.67	182.58
Total	2894.79	2508.80
NOTE – 24		
FINANCE COST		
Interest Expenses	1411.70	1991.31
Other Borrowing Cost	136.40	147.01
Amortisation of ancilliary borrowing costs	1.37	7.15
Total	1549.47	2145.47
NOTE – 25		
OTHER EXPENSES		
Job Charges	2803.73	2448.65
Power & Fuel	3065.53	2999.09
Stores & Spares Consumption	415.70	457.32
Repairs		
Building	46.90	70.31
Machinery	159.93	139.12
Excise Duty Others	17.34	17.13
Rent	1147.67	903.16
Rates & Taxes	49.90	28.61
Insurance	86.36	73.75
Freight, Forwarding and other distribution expenses	2658.41	2373.41
Provision for Doubtful Debts	8.45	10.66

	Year Ended 31.03.2017 (₹ in Lacs)	Year Ended 31.03.2016 (₹ in Lacs)
Provision for Doubtful Advances	190.12	9.83
Bad Debts written off	13.28	0.00
Less : Provided in earlier years	13.28	0.00
	0.00	0.00
Advances written off	23.65	0.00
Foreign Currency Loss (net)	25.39	0.00
Diminuition in Value of Short Term Investments	0.02	0.04
Payment to Auditors	38.37	32.56
CSR Expenses	12.88	0.00
Other Expenses (Including Legal & Professional, Conveyance, Telephone, Postage, Printing &Stationery, etc)	2734.35	2239.05
	13484.70	11802.69

26) Additional Information to the Financial Statements

26.1) Subsidiary company considered in the consolidated financial statements are :

Name	Country of Incorporation	Proportion of ownership interest
Vadilal Industries Inc.*	USA	100.00 %

Statement of Financial Information of Vadilal Industries (USA) Inc.a wholly owned Subsidiary Company as on 31st March, 2017 as per General Circular No. 2/2011 dated 8th February, 2011 of the Ministry of Corporate Affairs.

Sr.No	Particulars	Amt (In ₹)	Amt (In USD)
1	Capital*	13640634	225000
2	Reserve**	(23067212)	(355811)
3	Total Assets**	94867755	1463331
4	Total Liabilities**	94867755	1463331
5	Details of Investments (Except in case of investment in the subsidiary)	NIL	NIL
6	Turnover(Net)***	177177560	2640910
7	Profit/(Loss) Before Tax***	25352236	377886
8	Provision for Income Tax***	134179	2000
9	Profit/(Loss) After Taxation***	25218057	375886
10	Proposed Dividend	NIL	NIL
11	State & City	New Jersey(USA)	San Francisco (USA)

* Rate of Exchange (Initial) 1 USD = ₹ 60.63

** Rate of Exchange 1 USD = ₹ 64.83 (Closing Rate)

***Rate of Exchange 1 USD = ₹ 67.0896 (Average Rate)

26.2) I) Enterprises considered in the consolidated financial statements are :

Name	Country of Incorporation	Proportion of ownership interest As at 31.03.2017	As at 31.03.2016
Vadilal Cold Storage,	India	98.00 %	98.00 %

II) The associate considered in the consolidated financial statements are :

Name	Country of Incorporation	Proportion of ownership interest As at 31.03.2017	As at 31.03.2016
Vadilal Forex and Consultancy Services Ltd.	India	0.00%	29.00 %

26.3) CONTINGENT LIABILITIES NOT PROVIDED FOR :

(₹ in Lacs)

		C. Year	P. Year
I)	Guarantees given by the company against Term Loans given to companies in which Directors are interested is ₹ 3059.12 Lacs (P.Y. ₹ 2009 Lacs).		
	Outstanding against this as at 31.03.2017	1444.31	309.20
II)	i) For Excise -		
	a) Related to a matter decided in favor of the company, against which the Excise department has preferred an appeal.	8.86	8.86
	ii) For Income Tax -		
	a) which is disputed by the company and against which company has preferred appeal, based on the demand notices raised by Income Tax Dept. and received by the company.	33.15	3.50
	b) Against which Income Tax department has preferred appeal	111.65	169.77
	c) In respect of erstwhile Vadilal Financial Services Limited (VFSL) Income Tax Demand (including interest) for which the company has preferred appeal.	1.93	1.93
	iii) For Sales Tax -		
	Disputed by the company and against which company has preferred an appeal.	170.53	116.42
	iv) For other Matters -	8.71	16.55
	v) Differential amount of custom/excise duty in respect of machinery purchased under EPCG scheme.	462.44	461.24
III)	Other Money for which the Company is contingently liable		
	i) Liability in respect of Bills	1312.81	1924.47

Note : a) Future cash outflows in respect of (II) (i) to (iv) above depends on ultimate settlement / conclusions with the relevant authorities.

b) Future cash outflows in respect of (II) (v) above depends if company is unable to fulfill export obligations between 2018-19 to 2023-24 of ₹ 3133.30 Lacs (P.Y. ₹ 3280.07 Lacs), for import made between the year of 2006-07 to 2016-17. The fulfillment of export obligation is considered on the basis of license claimed at the time of export.

c) Future cash outflows in respect of (III) above depends if Vendors are unable to fulfill the liability.

26.4) PARTICULARS OF DERIVATIVE INSTRUMENTS :

a) Derivative contracts entered into by the company and outstanding as on 31st March, 2017.

i) All derivative and financial instruments acquired by the company are for hedging.

ii) Foreign currency exposure that are hedged by derivative instruments as on 31st March, 2017 -

PARTICULARS	C.Year	P.Year
Number of Buy Contract	4	2
Aggregate Amount	CAD 0.00	CAD 75272.50
	GBP 26847.65	GBP 0.00
	₹ 21.71 Lacs	₹ 38.43 Lacs

iii) Foreign currency exposure that are not hedged by derivative instruments as on 31st March, 2017 -

PARTICULARS	C.Year		P.Year	
	PAYABLE	RECEIVABLE	PAYABLE	RECEIVABLE
US $	37961.56	421819.65	23748.00	369238.49
EURO	0.00	0.00	65857.28	0.00
GBP	0.00	0.00	3102.65	26864.60
CAD	265.00	40257.50	0.00	0.00
AUD	10400.00	0.00	0.00	0.00
TOTAL ₹ (IN LACS)	29.90	293.04	68.15	270.46

26.5) The company has written down the inventories to net realisable value during the year by ₹ 308.84 Lacs (Previous year ₹ 297.19 Lacs)

26.6) MAT CREDIT ENTITLEMENT :

The company has utilized MAT Credit of ₹ 309.44 Lacs out of MAT Credit Taken of ₹ 497.18 Lacs up to 31.03.2016.Balance amount of MAT Credit as on 31.03.2017 of ₹ 187.74 lacs will be utilized on the basis of the projection for future profit.

27) **Disclosure under Accounting Standards**

27.1) SEGMENT INFORMATION :

A PRIMARY SEGMENT - BUSINESS SEGMENT : **[₹ in Lacs]**

SR. NO.	PARTICULARS	ICE CREAM	PROCESSED FOODS	OTHERS	ELIMI-NATION	TOTAL
a)	SEGMENT REVENUE					
	External Sales	44083.19	4465.07	203.53	0.00	48951.79
		(40439.48)	(5442.68)	(182.06)	(0.00)	(46064.22)
	Other segment Income	77.67	85.51	0.01	0.00	163.19
		(39.34)	(17.66)	(0.16)	(0.00)	(57.16)
	Total segment revenue	44360.80	4550.58	203.54	0.00	49114.98
		(40478.82)	(5460.34)	(182.22)	(0.00)	(46121.38)
b)	SEGMENT RESULTS	5597.26	(535.14)	-178.56	0.00	4883.56
		(5622.12)	(-627.62)	(-22.45)	0.00	(4972.05)
	Unallocated Expenditure					448.43
	net of unallocated income					(382.22)
	Operating profit					4435.13
						(4589.83)
	Interest Expense					1549.47
						(2145.47)
	Taxation for the year					
	- Current /MAT Tax					917.10
						(577.09)
	- Deferred Tax					74.71
						(393.80)
	- Short/Excess provision of					30.81
	I.Tax of earlier years					(3.01)
	- Minority Interest					3.07
						(0.07)
	- Share of Profit in Associate					0.00
						(5.63)
	Net Profit/ (Loss)					1866.11
						(1476.16)
c)	SEGMENT ASSETS	29168.37	9208.77	243.16	0.00	38620.30
		(25662.60)	(9487.32)	(257.57)	0.00	(35407.49)
	Unallocated Assets					688.47
						(1200.13)
	Total Assets					39308.77
						(36607.62)
d)	SEGMENT LIABILITIES	9845.95	760.60	15.07	0.00	10621.62
		(8465.72)	(925.20)	(51.01)	0.00	(9441.93)
	Unallocated liabilities					14109.67
						(14457.21)
	Total Liabilities					24731.29
						(23899.14)
e)	Cost incurred during the period					
	to acquire segment fixed assets	2061.83	37.39	8.83		2108.05
		(1281.26)	(81.88)	(16.68)		(1379.82)
f)	Depreciation/Amortisation	1217.87	213.33	11.38		1442.58
		(1125.40)	(211.42)	(10.82)		(1347.64)
g)	Non cash expenses other than					
	depreciation / amortisation	46.47	5.12	0.00		51.59
		(7.92)	(12.57)	(0.00)		(20.49)

Note : Figures in brackets relate to previous year.

B SECONDARY SEGMENT - GEOGRAPHICAL SEGMENT :

Segment revenue by geographical area based on geographical location of customers : **[₹ in Lacs]**

Sr No	Geographical Area	Current Year	Previous Year
1	India	44035.67	41948.74
2	Outside India	4916.12	4115.48
		48951.79	46064.22

C OTHER DISCLOSURES

a) Inter segment revenue

Inter segment transfers have been recognized at cost price.

b) Business Segment

Ice Cream : Ice Cream & Frozen Dessert

Processed Food : Mango Pulp, Frozen Fruit, Pulp, vegetable & Ready to eat/serve food

Others : Forex management, Money changing and Cold Storage

c) The company's manufacturing facilities are located in India.

27.2) RELATED PARTY DISCLOSURES :

A) Name of related party and description of the relationship with whom transactions taken place.

1) Associate(up to 25/03/2017):
Vadilal Forex and Consultancy Services Ltd.

2) Key Management Personnel :
i) Rajesh R Gandhi
ii) Devanshu L Gandhi
iii) Kalpit R.Gandhi
iv) Ruchita Gurjar

3) Enterprises owned or significantly influenced by key management personnel or their relatives :
i) Vadilal Enterprises Ltd.
ii) Vadilal International Pvt. Ltd.
iii) Veronica Construction Pvt.Ltd.
iv) Padm Complex Ltd.
v) Majestic Farm House Ltd.
vi) Volute Construction Ltd.
vii) Byad Packaging Pvt.Ltd.
viii) Vadilal Marketing Pvt.Ltd.

4) Relative of key Management Personnel :
i) Mamta R Gandhi
ii) Aastha R Gandhi

(B) Transaction with Related Parties

Sr. No.	Particulars of Transaction & Name of related party with whom transactions are more than 10%	Associates	Key Management Personnel/ Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
A	**Transaction with Related Parties :**				
1	**Sales :**				
	i) Vadilal Enterprises Ltd.	—	—	47,366.27	47366.27
		(—)	(—)	(45,413.33)	(45,413.33)
	ii) Others	—	—	108.75	108.75
		(—)	(—)	(131.78)	(131.78)
2	**Purchase :**				
	ii) Majestic Farm House Ltd.	—	—	—	0.00
		(—)	(—)	(2.77)	(2.77)
3	**Rent Income :**				
	Vadilal Enterprises Ltd.	—	—	0.90	0.90
		(—)	(—)	(0.90)	(0.90)
4	**Interest paid :**				
	i) Veronica Construction P. Ltd	—	—	1.60	1.60
		(—)	(—)	(3.18)	(3.18)

Sr. No.	Particulars of Transaction & Name of related party with whom transactions are more than 10%	Associates	Key Management Personnel/ Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
	ii) Byad Packaging Industries Pvt Ltd	—	—	5.68	5.68
		(—)	(—)	(5.19)	(5.19)
	iii) Vadilal Marketing Pvt Ltd	—	—	4.52	4.52
		(—)	(—)	(—)	0.00
	iv) Devanshu L Gandhi	—	10.66	—	10.66
		(—)	(19.32)	(—)	(19.32)
	v) Rajesh R Gandhi	—	1.06		1.06
		(—)	(—)	(—)	(0.00)
	vi) Kalpit R Gandhi	—	1.08		1.08
		(—)	(—)	(—)	(0.00)
5	**Salary paid :**				
	i) Mamta R.Gandhi	—	6.82	—	6.82
		(—)	(5.43)	(—)	(5.43)
	ii) Kalpit R. Gandhi	—	26.97	—	26.97
		(—)	(23.80)	(—)	(23.80)
	iii) Aastha R. Gandhi	—	—	—	—
		(—)	(1.31)	(—)	(1.31)
	iii) Ruchita Gurjar	—	6.55	—	(6.55)
		(—)	(0.95)	(—)	(0.95)
	iv) Nikhil Patel	—	-	—	-
		(—)	(6.37)	(—)	(6.37)
7	**Interest Income :**				
	i) Vadilal International Pvt.Ltd.	—	—	6.00	6.00
		(—)	(—)	(6.00)	(6.00)
	ii) Padm Complex Ltd.	—	—	—	—
		(—)	(—)	(0.13)	(0.13)
8	**Royalty paid/payable :**				
	Vadilal International Pvt.Ltd.	—	—	20.19	20.19
		(—)	(—)	(17.90)	(17.90)
9	**Loan / Deposit Received**				
	i) Vadilal Marketing Pvt Ltd	—	—	245.00	245.00
		(—)	(—)	(—)	(—)
	ii) Devanshu L Gandhi	—	173.00	—	173.00
		(—)	(—)	(—)	(—)
	iii) Rajesh R Gandhi	—	77.00	-	77.00
		(—)	(—)	(—)	(—)
	iv) Kalpit R Gandhi	—	78.00	-	78.00
		(—)	(—)	(—)	(—)
	v) Padm Complex Ltd	—	—	—	—
		(—)	(—)	(1.80)	(1.80)
10	**Loan / Deposit Repaid**				
	i) Veronica Construction P. Ltd	—	—	33.12	33.12
		(—)	(—)	(—)	(—)
	ii) Byad Packaging Industries Pvt Ltd	—	—	54.11	54.11
		(—)	(—)	(—)	(—)
	iii) Devanshu L Gandhi	—	236.85	—	236.85
		(—)	(197.00)	(—)	(197.00)
	iv) Vadilal Marketing Pvt Ltd	—	—	—	—
		(—)	(—)	(—)	(—)
	v) Rajesh R Gandhi	—	77.00	—	77.00
		(—)	(—)	(—)	(—)
	vi) Kalpit R Gandhi	—	78.00	—	78.00
		(—)	(—)	(—)	(—)
11	**Security Deposit Repaid**				
	i) Vadilal Enterprises Limited	—	—	—	—
		(—)	(—)	(650.00)	(650.00)

Sr. No.	Particulars of Transaction & Name of related party with whom transactions are more than 10%	Associates	Key Management Personnel/ Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
12	**Security Deposit Received:**				
	i) Vadilal Enterprises Ltd.	—	—	—	—
		(—)	(—)	(560.00)	(560.00)
	B Balance outstanding at year end :				
	a) Investments :				
	i) Others	3.63	—	1.87	5.50
		(0.72)	(—)	(1.87)	(2.59)
	b) Receivable :				
	i) Vadilal Enterprises Ltd.*	—	—	342.17	342.17
		(—)	(—)	(1570.94)	(1570.94)
	ii) Others	—	—	—	—
		(—)	(—)	(6.17)	(6.17)
	Loans & Advances Given:				
	i) Vadilal International Pvt.Ltd.	—	—	600.00	600.00
		(—)	(—)	(600.00)	(600.00)
	c) Payable :				
	Loan / Deposit taken				
	i) Veronica Construction P. Ltd	—	—	—	—
		(—)	(—)	(33.12)	(33.12)
	ii) Byad Packaging Industries Pvt Ltd	—	—	—	—
		(—)	(—)	(54.11)	(54.11)
	iii) Vadilal Marketing Pvt Ltd	—	—	218.85	218.85
		(—)	(—)	(—)	(—)
	iv) Devanshu L Gandhi	—	—	—	—
		(—)	(63.85)	(—)	(63.85)
	Security Deposit Taken :				
	i) Vadilal Enterprises Ltd.	—	—	560.00	560.00
		(—)	(—)	(560.00)	(560.00)
	d) Against corporate guarantee given :				
	Vadilal Enterprises Ltd.	—	—	3059.12	3059.12
		(—)	(—)	(2009.00)	(2009.00)
	e) Against corporate guarantee taken:				
	i) Padm Complex Ltd & Volute Construction Ltd	—	—	9878.00	9878.00
		(—)	(—)	(9878.00)	(9878.00)
	f) Personal guarantee taken:				
	i) Directors	—	12040.00	—	12040.00
		(—)	(12480.00)	(—)	(12480.00)

Note :

a) Payment to key management personnel in form of Managing Director's remuneration is shown in Note No. 27.9

b) Transaction of sales and Outstanding of Trade Receivables are inclusive of VAT/CST.

c) Figures in brackets relate to previous year.

d) * Outstanding balances are shown net of Acceptance.

27.3) Operating Lease:-

i) The company has taken various residential, office and godown premises under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months and 36 months under leave and license or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The company has given refundable interest free Security deposits under certain agreements.

ii) Lease payments are recognised as expense in the Profit & Loss Statement on a straight line basis over the lease term under "Rent" in Note 25 "Other Expenses."

iii) The future minimum estimated operating lease payments under non cancellable operating lease: (₹ in Lacs)

Particulars	Not later than one year	later than one & not later than five years
Total of minimum	—	—
Lease Payments	(—)	—

Note: Figures in brackets relate to previous year.

27.4) Earning Per Share (EPS) :

The following reflect the profit and share data used in the basic and diluted EPS computation

	Current Year	(₹ in Lacs) Previous Year
Total Operation for the year Profit/(loss)after Tax	1866.11	1476.16
Net Profit/(loss) for calculating basic/diluted EPS	1866.11	1476.16
Weighted Average Number of Equity shares in calculating Basic/Diluted EPS	7187830	7187830

27.5) The figure of the subsidiary company are considered on the basis of its review report and partnership firm are considered on the basis of its audited financial statements.

27.6) During the year,company has sold part of its investment in Associate,as a result this company ceased to be associate at the year end.As no significant influence was exercised by the company over this associate nor is its financial result material to the company's result,hence it is not included in the consolidated financial statements.However,profit on sale of investment & reversal of diminution in value of investments is recognised in this financial statements.

27.7) Disclosure of SBN in financial statement:

Particulars	SBN	Others Amount	Total Amount
Closing cash on hand as on 08.11.2016	33,46,000	9,38,196	42,84,196
Add : Permitted Receipts	-	53,54,226	53,54,226
Less: Permitted Payments	1,39,000	45,96,352	47,35,352
Less: Amount deposited in Banks	32,07,000	-	32,07,000
Closing cash on hand as on 30.12.2016	**-**	**16,96,070**	**16,96,070**

28) Previous year figures have been restated wherever necessary to make them comparable with current year's figures.

Signatures to Notes 1 to 28

For **KANTILAL PATEL & CO.**
CHARTERED ACCOUNTANTS
Firm Registration No.-104744W
Jinal A.Patel
Partner
Membership No.-153599

Place : Ahmedabad
Date : May 30,2017

For and on behalf of the Board

Rajesh R.Gandhi
Chairmen & Managing Director

Kalpit R.Gandhi
Director & Chief Financial Officer

Ruchita Gurjar
Company Secretary

Place : Ahmedabad
Date : May 30,2017

VADILAL INDUSTRIES LIMITED

Registered Office : Vadilal House, Shrimali Society, Nr. Navrangpura Rly. Crossing, Navrangpura, Ahmedabad - 380 009.
CIN: L91110GJ1982PLC005169, Web: www.vadilalgroup.com, Email: shareslogs@vadilalgroup.com, Tel: +91 079 30153189

E-COMMUNICATION REGISTRATION FORM

Dear Shareholders,

You are aware that the provisions of Companies Act, 2013 have been made effective. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued thereunder, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository or with Share Transfer Agent.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment. This is a golden opportunity for every shareholder of Vadilal Industries Limited to contribute to the cause of Green Initiative.

We therefore invite all our shareholders to contribute to the cause by filling up the form given below to receive communication from the Company in electronic mode.

Please note that as a Member of the Company, you will be entitled to receive all such communication in physical form, upon request.

Best Regards,

Ruchita Gurjar
Company Secretary

E-COMMUNICATION REGISTRATION FORM

Folio No. / DP ID and Client ID : _____

Name of the 1st Registered Holder : _____

Name of the Joint Holder[s] : _____

_____

Registered Address : _____

_____

_____

E-mail ID (to be registered) : _____

I / We Shareholder(s) of Vadilal Industries Limited agree to receive communication from the Company in electronic mode. Please register my/our above e-mail ID in your records for sending communication in electronic form.

Date :_____ Signature _____

Note: Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.

VADILAL INDUSTRIES LIMITED

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ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. JOINT SHAREHOLDERS MAY OBTAIN ADDITIONAL ATTENDANCE SLIP ON REQUEST.

Name	Regd Folio No. *DP ID No. and Client ID No.	No. of Shares held
Shareholder _____		
_____		
Proxy _____		

I hereby record my presence at the 33rd Annual General Meeting of the members of the Company on Tuesday, the Friday, the 29th day of September, 2017 at GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad - 380 006.

* Applicable for investors holding shares in electronic form.

_____
Signature of Shareholder(s)/Proxy

Tear here

VADILAL INDUSTRIES LIMITED

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Form No. MGT-11

FORM OF PROXY

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of Member(s) _____
Registered Address : _____
_____
E-mail ID _____ Folio No. / DP ID and Client ID _____

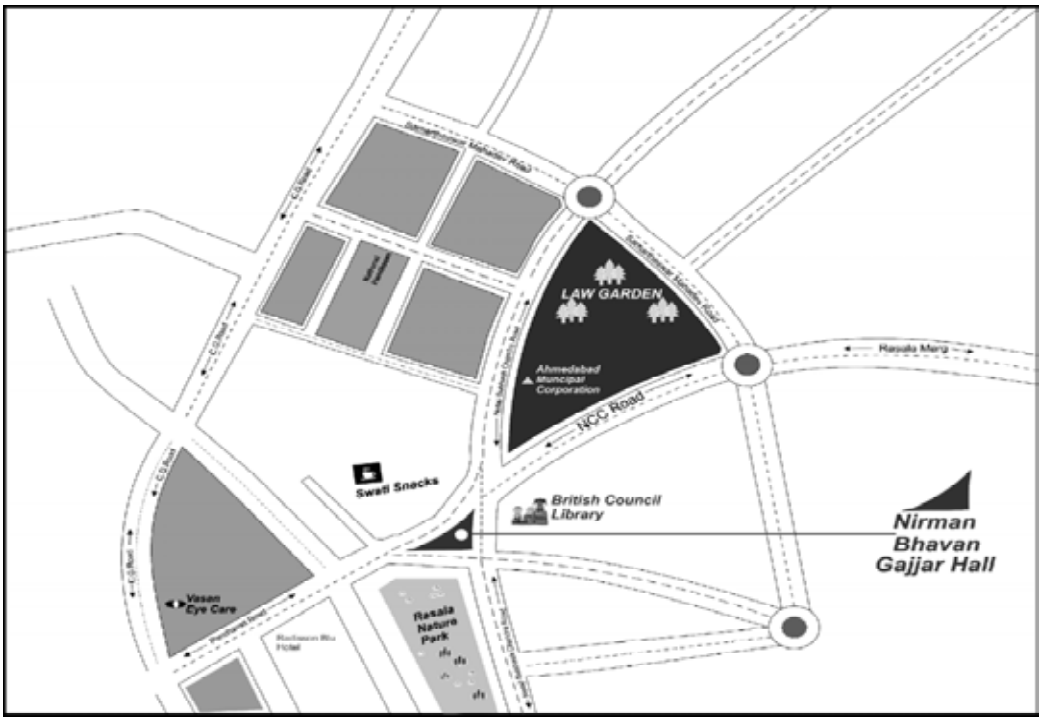
I/We, being the Member(s) holding _____ Equity Shares of the above named Company, hereby appoint

1. Name:_____ E-mail ID: _____
   Address: _____
   _____ Signature: _____ or failing him/her

2. Name:_____ E-mail ID: _____
   Address: _____
   _____ Signature: _____

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on Friday, the 29th day of September, 2017 at 4.00 p.m. at GICEA, Gajjar Hall, Nirman Bhavan, Opp. Law Garden, Ellisbridge, Ahmedabad - 380006 and at any adjournment thereof in respect of such resolutions as are indicated overleaf :

See overleaf



Tear here

Resolution No.	Description
1)	To consider and adopt: (a) The audited financial statement of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and Auditors thereon; and (b) The audited consolidated financial statement of the Company for the financial year ended March 31, 2017.
2)	To declare dividend on Equity Shares for the financial year ended on March 31, 2017.
3)	To appoint a Director in place of Mr. Devanshu L. Gandhi (DIN: 00010146) who retires by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment. If re-appointed, the same shall not be termed as discontinuation of his office as Managing Director of the Company.
4)	To appoint a director in place of Mr. Kalpit R. Gandhi (DIN: 02843308) who retires by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.
5)	To appoint Statutory Auditors and fix their remuneration.
6)	To appoint Mr. Vijay R. Shah (DIN : 00376570) as an Independent Director of the Company.
7)	To appoint Mr. Jignesh J. Shah (DIN : 01202435) as an Independent Director of the Company.
8)	To approve the remuneration to be paid to Mr. Rajesh R. Gandhi, Chairman and Managing Director for remaining period of 2 years of his term w.e.f. 1st April, 2017.
9)	To approve the remuneration to be paid to Mr. Devanshu L. Gandhi, Managing Director for remaining period of 2 years of his term w.e.f. 1st April, 2017.

Signed this _____ day of _____ 2017

Signature..... Affix Revenue Stamp .....

Notes:

1. A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.
2. This form of Proxy, to be effective, should be deposited at the Share Department of the Company at B/404, Time Square Building, 4th Floor, Near Lal Bungalow Char Rasta, C.G. Road, Navrangpura, Ahmedabad – 380 009, not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.

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